

Montana HOME Investment Partnerships Program (HOME) Application Guidelines Fiscal Year 2002



Gallatin County (REACH)
Willow Town Houses
New Construction



Missoula County (ORI)
Pioneer Group Home
New Construction



Town of Circle
Rehabilitation Activity

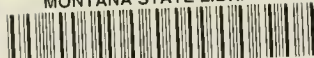
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Please note that the HOME Program will be moving during the month of June.
Physical address and phone numbers will change.

Montana Department of Commerce





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**MONTANA DEPARTMENT OF COMMERCE
HOME INVESTMENT PARTNERSHIPS PROGRAM**

I. PURPOSES AND GOALS

The HOME Program's purposes and goals are to:

Expand the supply of decent, safe, sanitary and affordable housing for very low-income and low-income Montanans;

Mobilize and strengthen the abilities of units of local government and Community Housing Development Organizations (CHDO) to implement strategies for achieving an adequate supply of decent, safe, sanitary, and affordable housing; and

Provide participating entities, on a coordinated basis, with various forms of federal housing assistance.

Montana Department of Commerce (MDOC) will focus on the following purposes and goals:

Assist in the preservation of existing or construction of decent, safe, sanitary, and affordable housing in areas of greatest demonstrated need in the community and in the State, ensuring geographic distribution, both urban and rural, where and when possible, taking into consideration the historical information of the property and area, the current housing market, and the prospects for future demand.

In areas where greatest need is identified, give preference to those projects which provide the greatest number of qualified affordable units compared to the lowest amount of HOME funds allocated while giving consideration to serving the lowest income Montanans, and where appropriate, providing mixed income housing. Make such units affordable to households for the applicable period of affordability.

Allocate only the minimum amount of HOME funds that MDOC determines to be necessary for the financial feasibility of the project and its viability as a qualified affordable housing project throughout the period of affordability.

Assist in providing housing to meet the needs and priorities outlined in the State Consolidated Plan and its corresponding Annual Action Plan.

Provide opportunities for local governments, Public Housing Authorities (PHA) and CHDOs to access the HOME Program on behalf of low and very low-income residents.

Encourage innovative approaches in planning, design, construction, energy efficiency, and financing which are cost effective in providing affordable housing.

Give preference to those applications that show a greater degree of readiness to proceed with the development.

Allow Applicants the ability to self-monitor their capabilities, based on geographic area, population, need and capacity.

Maximize the investment of private capital to leverage HOME funds and use existing agencies and private sector mortgage financial institution resources, while retaining the affordability of housing with local and private investment.

In accordance with these stated purposes and goals, MDOC **will not process** any application that is **not** consistent with the purposes and goals of this Guideline, and the State's Consolidated Plan.

MDOC will consider the capacity of the Grantee, its management team, and the availability of contractors and subcontractors in assessing the viability of each proposed project.

II. POLICIES AND PROCEDURES

MDOC is the agency responsible for the administration of the HOME Program in accordance with Title 24 Code of Federal Regulations Part 92. The HOME Program Guidelines provide a system for the allocation of HOME funds. Funding under the Guidelines is available throughout the State of Montana, with the exception of Billings and Great Falls, which receive their own allocation of HOME funds directly from HUD.

A. APPLICATION DEADLINE

Applications must be received at the MDOC office in Helena or be postmarked on or before 5 p.m. on July 1, 2002. Full applications by facsimile will NOT be accepted.

Applicants must deliver one (1) original and three (3) complete copies of the application to:

Montana Department of Commerce
HOME Program
301 South Park-2nd Floor (for hand delivery)
P.O. Box 200545 (for mail delivery)
Helena, MT 59620-0545

The applications will become the property of the Department of Commerce and will not be returned. Inaccurate information contained on an application will disqualify the Applicant from consideration. **Exhibit 1** outlines the minimum Application Eligibility Threshold Requirements for each HOME Application. **Applicants who fail to meet any of the minimum threshold requirements**

will not be considered for funding. Minor corrections to applications may be allowed, but applications requiring substantial revision or which are substantially incomplete will not be reviewed and ranked.

B. ALLOCATION

MDOC will distribute the FFY 2002 funds geographically throughout eligible areas of the State. The Uniform Application and HOME-specific ranking criteria are designed to ensure that only projects that can be completed in a timely manner will be approved.

A minimum of 15 percent of the total HOME funds are available only to MDOC-certified Community Housing Development Organizations (CHDOs). A CHDO is a nonprofit entity that has received a tax exempt ruling under section 501(c) (3) and (4) of the Internal Revenue Code of 1986, and is certified by MDOC as meeting the CHDO requirements in **Exhibit 2**.

Montana's FFY 2002 HOME allocation is **\$4,618,000**. Tentative allocations are provided below.

<u>FFY 2002 Allocation</u>	<u>\$4,618,000</u>
CHDO project funds (minimum 15%):	\$ 692,700
State Recipient project funds (maximum):	\$ 3,463,500
MDOC administration funds (maximum 10%):	\$ 461,800

If all funds are not awarded due to insufficient applications meeting the minimum funding threshold, the remaining funds will be awarded through a second round of competition or retained and allocated in the next funding cycle. In the event that a second round of competition is needed, it will be open to all local governments (including entitlement cities), CHDOs, and public housing authorities within the State. MDOC reallocation of unused funds may result from:

- uncommitted current fiscal year funds;
- unexpended or uncommitted funds from previous grant awards;
- program income returned to the State; and/or
- funds withdrawn from a tentative grant commitment if the Applicant is unable to fulfill the required contract conditions, including securing final commitments of all funding sources.

C. MAXIMUM GRANT AMOUNT

HOME considers the total amount of assistance from both public and private sources needed to ensure project feasibility. Applicants may request up to a total of \$500,000 in HOME funds. Administration funds will no longer be passed on to Grantees, however Applicants may request project dollars for administration related "soft costs" in an amount comparable to the following housing activities:

New construction, TBRA, Acquisition	8%
Homebuyer Assistance	10%
Rehabilitation	12%

In calculating the allowable "soft cost" for a project, round all amounts to the nearest \$100. For example:

8%	$500,000 \div 1.08 =$	\$ 463,000 project
		\$ 27,000 "soft costs"
10%	$500,000 \div 1.10 =$	\$ 454,500 project
		\$ 45,500 "soft costs"
12%	$500,000 \div 1.12 =$	\$ 446,400 project
		\$ 53,600 "soft costs"

All HOME costs (including "soft costs") must be tied to a specific housing address.

Applicants should request only the minimum level of funding necessary to carry out their program. Grant requests must be sufficient either by themselves, or in combination with other proposed funding sources, to complete the proposed activities within the contract period. The *contract period* is 24 months from the date the MDOC Director signs the contract.

An Applicant considering a relatively small grant request should consider whether the proposed activities would result in high administrative related costs relative to the total program cost.

A HOME application must include a completed Uniform Application for Montana Housing, Loan, Grant & Tax Credit Programs (Uniform Application), a narrative response to the HOME Ranking questions in these guidelines, and all supporting documentation. Applicants may obtain both the Uniform Application form (in Microsoft Excel) and the HOME Ranking questions (in Microsoft Word) on computer diskette from the MDOC. They may also be found on the MDOC website at: http://commerce.state.mt.us/Housing/Hous_Apps.html

D. ELIGIBLE APPLICANTS
LOCAL GOVERNMENTS

An eligible Applicant may sponsor an application on behalf of a non-profit or a for-profit organization. If awarded funds, the Applicant remains the entity responsible for meeting all HOME requirements, including those related to long-term affordability. Grantees may provide HOME funds to the project in the form of a grant or a loan that will be repaid from operating income.

Each eligible Applicant **may submit only one application** in the FFY 2002 HOME grant competition. In the event of a second round of competition, Applicants tentatively awarded HOME funds in the first round are not eligible to apply for any second-round funds.

Counties may apply to use HOME grant funds for activities proposed to resolve housing problems in the unincorporated jurisdiction of the county. A county may apply for a housing project that will include activities within the jurisdiction of an incorporated city or town if the proposed project is intended to benefit all county residents. A county may apply for a grant to fund a project that would assist two or more separate, unincorporated communities.

Municipalities may apply to use HOME grant funds for projects proposed within the jurisdiction of an incorporated city or town. A municipality may apply for a project located outside the city's jurisdiction if it can provide assurances the project area will be annexed within the HOME contract period.

Consolidated city-county governments will be considered as two separate jurisdictions: one, the city jurisdiction; and two, the unincorporated jurisdiction of the county. Each may apply separately for HOME funds. The city and county boundaries, as delineated on the date of consolidation, will define the jurisdiction of each.

HOME entitlement cities (currently Billings and Great Falls) receive HOME funds directly from HUD, and as such receive and process all HOME applications for projects within the city limits. Entitlement cities are not eligible Applicants for MDOC HOME funds unless a second round of competition is proposed.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOS)

CHDOs are MDOC-certified organizations that are incorporated under State of Montana law. A CHDO must demonstrate staff capacity and development in order to retain CHDO status; a CHDO may not subcontract all program related duties on a continual basis. CHDOs can apply for HOME grant funds to complete eligible *development, ownership, and sponsorship* housing projects within their jurisdiction. Such activities include new construction of multi- or single-family housing, acquisition of multi- or single-family housing and rehabilitation of multi- or single-family housing owned by the CHDO in conjunction with acquisition of multi- or single-family housing. **Exhibit 2** contains a chart of eligible CHDO activities.

CHDOs are also eligible to participate in non-CHDO housing activities. Following HUD regulations, tenant-based rental assistance; homebuyer assistance and single-family/multi-family rehabilitation projects are not considered CHDO-eligible activities. A CHDO applying for funds to perform a non-CHDO activity remains a CHDO BUT loses its CHDO status for the

applicable year of competition and will not receive special consideration for the 15 percent set-aside funds.

CHDOs can apply for either a CHDO activity, or a non-CHDO activity, but not both within the same application. As an example, a CHDO may apply for a homeowner rehabilitation project (a non-CHDO activity), but cannot in the same application, mix in a new construction rental project (a CHDO activity).

CHDOs must submit, with their application, a letter from the unit(s) of local government for the political jurisdiction in which the HOME activities are proposed. The letter must state the local government is aware of the proposed CHDO housing project and the project is consistent with local comprehensive plans and zoning ordinances. A CHDO administratively headquartered in an entitlement city may propose a project within its operational area and compete for MDOC HOME funds, as long as the proposed project is not within the entitlement city limits or jurisdiction.

PUBLIC HOUSING AUTHORITIES (PHAS)

PHAs are eligible Applicants in the Montana HOME Program. Housing authorities apply as quasi-local governmental entities, and as such, follow the same application requirements as local governments.

Housing authorities may apply for projects inside the jurisdictional area they serve. For entitlement city housing authorities, first round applications are only accepted for projects outside the entitlement city limits, but within the jurisdictional area (10 miles outside the city limits). Housing authorities must secure the services of the applicable local government office for initial environmental screening and, eventually, the complete environmental review.

Housing authorities must submit, with their application for funding, a letter from the unit(s) of local government for the political jurisdiction in which the HOME activities are proposed. The letter must state the local government is aware of the proposed housing project and that the project is consistent with local comprehensive plans and zoning ordinances.

JOINT APPLICATIONS

Joint Applicants (two or more eligible Applicants) may submit an application under the following conditions:

- the problem to be addressed lies in an area of contiguous jurisdiction;
- the solution to the common problem clearly requires cooperative action and is the most efficient strategy;
- the total amount of the HOME funds requested does not exceed \$500,000;

- the joint Applicants do not apply for another HOME grant during the same grant competition; and
- one Applicant is designated as the *lead Applicant* during the term of the HOME project and period of affordability. The lead Applicant must accept full responsibility for application submission and for administrative, regulatory, and financial management requirements.

ELIGIBILITY REQUIREMENTS

Grantees (including all entities of a joint application) currently administering a HOME project are eligible to reapply for an additional HOME grant if:

- the Grantee is in compliance with the project implementation schedule contained in its HOME contract with MDOC;
- there are no unresolved audit, monitoring, or performance findings for any previous HOME grant award to the Applicant;
- Grantees with open 2001 grants must have 55% of the project funds drawn down by July 1, 2002;
- Grantees with open 2000 grants must have 75% of the project funds drawn down July 1, 2002; and,
- all projects over two years old (FFY1999 and earlier grants) are completed and are conditionally closed out before applying for additional funds.

E. DISCLAIMERS

MDOC reserves the right to reserve and allocate HOME funds to any project or deny HOME funds for any project, regardless of ranking under the project selection criteria, if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

- comments of or lack of support from officials of local governmental jurisdictions,
- information regarding the fact that a particular market is saturated with affordable housing projects,
- the likelihood that the project may not comply with HOME program requirements in a timely manner, or
- the Applicant's (including any related party's) lack of or unacceptable prior experience and performance related to compliance with housing assistance or other government-sponsored programs, regardless of type and location.

If MDOC determines not to award HOME funds on such basis, it will set forth the reasons for such determination.

All funding decisions made under these Guidelines shall be made solely at the discretion of MDOC. MDOC in no way represents or warrants to any Applicant, investor, lender, or any other party that a proposed project is, in fact, feasible or viable.

MDOC reserves the right to place special conditions on projects.

MDOC reserves the right to modify or waive, on a case-by-case basis for good cause, any condition of these Guidelines that is not mandated by the 24 CFR Part 92.

MDOC reserves the right to exchange information with other state and federal allocating agencies and with other parties as deemed appropriate. By submitting an application for HOME funds, the Applicant is acknowledging and agreeing to this exchange of information.

If HOME funds are expended on a project that is terminated before completion, the funds must be repaid with interest calculated based on one-year Treasury rates as of the date of cancellation.

No executive, employee or agent of MDOC or any other official of the State of Montana shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HOME funds or the approval or administration of these guidelines.

F. DEFERRAL TO FEDERAL LAW

To the extent that anything contained in these guidelines does not meet the minimum requirements of federal law or regulation, such law or regulation shall take precedence over these Guidelines.

III. GENERAL REQUIREMENTS

A. ELIGIBLE ACTIVITIES

Applicants may pursue homeowner opportunities, rental opportunities or a combination of both. Regardless of the type of activity applied for, all projects will be completed within 24 months.

At the discretion of MDOC and where allowable under federal law, activities and their corresponding costs allowed under HOME may include:

1. Homebuyer Assistance

Costs related to assisting qualified homebuyers in purchasing a home, including those related to down payment and closing cost assistance are eligible.

2. Homeowner Rehabilitation

Costs related to the rehabilitation of owner-occupied housing are eligible. Costs to make essential improvements including energy-related repairs or improvements, modifications necessary to permit use by persons with disabilities, the abatement of lead-based paint hazards, and to repair or replace major housing systems in danger of failure are eligible. Each house rehabilitated with HOME funds must be brought up to applicable housing standards.

3. Rental Rehabilitation

Costs to meet the applicable rehabilitation standards in effect at the time a building permit is obtained from the locality are eligible. Costs to make essential improvements including energy-related repairs or improvements, modifications necessary to permit use by persons with disabilities, the abatement of lead-based paint hazards, and to repair or replace major housing systems in danger of failure are eligible. The application must describe in detail the rehabilitation and the cost necessary for the exterior and interior by unit, if applicable. If the description is not definitive, the application may be rejected.

Costs to convert a non-residential structure to residential housing are eligible. Conversion of an existing non-residential structure to affordable housing is considered rehabilitation, unless the conversion entails adding one or more units beyond the existing walls, in which case the project is then considered new construction.

A market analysis must be provided to determine that the project is financially feasible, and is located in a market with substantiated need.

4. New Construction

Costs to construct either single-family or multi-family housing are eligible. Costs to meet the new construction standards in effect at the time a building permit is obtained from the locality are eligible.

Costs for improvements to the project site that are comparable with the surrounding standard developments, and costs to make utility connections including off-site connections from the property line to the adjacent street are eligible. Site improvements may include sewer and water lines necessary to the development of the project. The project site is the property, owned by the project owner, upon which the project is located.

5. Tenant-Based Rental Assistance

Costs to provide rental assistance and/or security deposits to families for a period not to exceed 24 months are eligible.

6. Acquisition

Costs to acquire an existing multi- or single-family structure that may or may not require rehabilitation are eligible. Costs for acquisition of existing affordable housing in need of rehabilitation and requiring financial assistance to maintain the affordability of the project are eligible.

Acquisition of vacant land will be undertaken only in conjunction with a specific housing project intended to provide affordable housing under this program and for which construction funds have been committed before the commitment of HOME funds to the acquisition.

B. INELIGIBLE ACTIVITIES

1. Tenant-based rental assistance for the special purposes of the existing Section 8 Program.
2. Non-federal matching contributions required under any other Federal program.
3. Assistance authorized under Section 9 of 1937 Act (annual contribution for operation of public housing) or activities authorized under 24 CFR Part 968 (Public Housing Modernization).
4. Assistance to eligible low-income housing under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages).
5. Assistance to a project previously assisted with HOME funds during an existing affordability period.
6. Operating subsidies.
7. Project reserve account.
8. Assistance to ineligible properties such as commercial properties, (to be used solely for commercial purposes), temporary shelters, emergency shelters and student housing.
9. Acquisition of property owned by the Grantee, unless it is in anticipation of carrying out a HOME project by an eligible Applicant.
10. Emergency repair program costs.
11. Assistance to pay for any costs that are not eligible under project costs, administrative and planning costs, operating costs, and tenant-based rental assistance costs.
12. Charging monitoring, servicing and origination fees for HOME-assisted projects. (Grantees may charge nominal application fees to discourage frivolous applications, however, they are not eligible HOME costs).

C. PROJECT PERIOD OF AFFORDABILITY

Period of affordability refers to the length of time HOME assisted units must remain affordable. Deed restrictions or covenants running with the land or other approved mechanisms will ensure the period of affordability, depending on the

amount of HOME dollars invested per unit in the project. After the required affordability period, the property may be sold without HOME restrictions. The following table outlines the affordability periods.

Activity	Years of Affordability			
	5	10	15	20
New Construction or Acquisition of Newly Constructed Rental Housing (any \$ amount)				X
Rehabilitation or Acquisition of Existing Housing, with HOME funds invested per unit as follows:				
Under \$15,000	X			
\$15,000 to \$40,000		X		
Over \$40,000 or Rehabilitation involving Refinancing (Rental Housing Only)			X	
Homeowner Rehabilitation	No period of affordability (placement of restrictions on sale or rental of rehabilitated property are appropriate, and recommended)			

Owner-occupied rehabilitation projects: A period of affordability is not required on owner-occupied rehabilitation projects. Since the intent of the program is to create affordable housing units, HOME Applicants may choose to implement a period of affordability for owner-occupied rehabilitation projects. Such a requirement serves to protect the Grantee's HOME investment and discourage "fix and sell" opportunists. The Montana HOME Program encourages the use of affordability restrictions with homeowner rehabilitation projects.

Multi-family projects: During the period of affordability, the property owner must re-verify tenant income at least annually through an approved verification method. Additionally, each unit must be inspected annually to ensure the units are decent, safe and sanitary.

D. MINIMUM AMOUNT OF ASSISTANCE

The minimum amount of HOME funds invested in any project is \$1,000 per each HOME-assisted unit in the project.

E. SUBSIDY LAYERING GUIDELINES

For those projects which combine HOME and other governmental subsidies, MDOC must perform a subsidy layering review to ensure that government subsidy is not excessive in accordance with HUD CPD Notice 98-01, dated January 22, 1998. A copy of this notice is available upon request.

F. TENANT RELOCATION AND DISPLACEMENT

MDOC will not allow permanent displacement of current residents of any project funded with HOME funds. All residential tenants in place prior to the submission of an application through the completion of the proposed construction and issuance of the certificate of occupancy are candidates for assistance under this provision found in 24 CFR 92.353. If there are existing residents who are not eligible for the program, the owner may request HOME assistance for vacant units or those occupied by eligible tenants only. Owners of developments with tenants in place prior to submission of the application, **MUST** comply with the Federal Relocation Requirements found in 24 CFR 92.353.

Applicants are encouraged to notify MDOC before proceeding with an application to ensure that proper procedures are followed. Please refer to **Exhibit 3** for a sample letter to inform existing residents of their rights. Improper procedures may substantially increase the costs to the project or render the project infeasible. The project owner will pay relocation payments and other relocation assistance. Relocation payments include replacement-housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the relocation of persons.

G. MATCH

HOME Program participants must contribute to qualified housing in an amount equal to at least five percent (5%) of HOME project funds, excluding soft costs. These contributions are referred to as match.

An example of the HOME program match obligations for FFY2002 is shown below.

HOME Project Costs	\$ 300,000
HOME Soft Costs (12% for rehab)	\$ 36,000
Total HOME funds	\$ 336,000

Match requirement: $\$300,000 \times .05 = \$ 15,000$

(Note: While tenant-based rental assistance (TBRA) is considered a soft cost, it must still be matched at 5%.)

A match amount equaling five percent of project funds is a minimum threshold requirement. During the ranking process, an Applicant's proposed match will be compared to other applications submitted. Before submitting an application, an Applicant **MUST** consult with HOME Program staff at (406) 444-0092 to determine if its proposed match source is eligible and request a letter from MDOC confirming match eligibility. **The Applicant must submit the MDOC confirmation letter in its application.** Applicants must clearly document proposed matching contributions or HOME will not consider the grant application for ranking.

To be considered eligible match, a contribution must be made from nonfederal sources and must be made to housing that is assisted with HOME funds. Refer to Matching Contribution Requirements, **Exhibit 4**.

H. CITIZEN PARTICIPATION

Applicants must provide citizens adequate notice and opportunity for involvement in the planning and development of HOME applications. Applicants must:

- Hold a minimum of one public hearing before submission of the application. The purpose of the public hearing is to solicit public comment on community housing needs and priorities and to discuss the HOME program as a potential source of funding. The Applicant should give due consideration to all comments before the determination of a proposed project.
- Submit a record of any public hearings and copies of the public notices for the hearings or affidavits of publication for the notices, held in relation to the application for HOME funds. A verbatim record is not necessary; the names of persons who attended and a summary of comments by local officials and citizens are sufficient.

Many Applicants find it advantageous to hold two or more public hearings. The first to obtain comments, the second to discuss the nature of the proposed project considered for application. Regardless of how many hearings are held, one must be held within two months of the deadline date of application.

Formal public notice must be provided before public hearings are held. Refer to the sample Meeting Notice in **Exhibit 5**. Hearings must be held at times and locations convenient to potential beneficiaries and in a facility that is physically accessible for persons with a disability.

I. ENVIRONMENTAL REVIEW

The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58 and the Montana Environmental Policy Act (MEPA). Applicants must complete the Environmental Uniform Request for Information checklist found in the Uniform Application. Applicants use this form to initially evaluate environmental circumstances that may affect the proposed project and to raise their awareness of possible problems. If the Applicant is a CHDO, the unit of local government in which jurisdiction the project is located must conduct the environmental review. For projects spanning the jurisdiction of several municipalities, each local government must commit to conducting an Environmental Review for their jurisdiction.

Applicants are not required to complete an Environmental Review or Assessment before the application deadline. However, the Applicant must have the capacity to conduct an Environmental Review before the release of funds. Applicants must provide documentation in their application to demonstrate that a unit of local government agrees to conduct the Environmental Review, if funding is awarded. CHDOs and PHAs must get such a commitment from the appropriate local government(s).

J. **LEAD-BASED PAINT (LBP)**

Housing that is built prior to 1978 and is assisted with HOME funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act and is subject to 24 CFR part 35. Unless otherwise provided, Grantees are responsible for inspection, testing and abatement activities.

LBP regulations do not apply to:

- housing built after January 1, 1978;
- housing exclusively for the elderly or persons with disabilities (unless any child who is less than 6 years of age resides or is expected to reside in such housing);
- any zero-bedroom dwelling, including efficiency apartments and single-room occupancy housing; and
- property that has had all LBP removed and/or has been found to be free of LBP by a certified LBP inspector.

The lead hazard regulations are particularly pertinent for projects conducting rehabilitation, acquisition and/or TBRA. Required lead hazard reduction activities are based on the **HOME investment per unit**, excluding the cost to address a LBP hazard. Refer to **Exhibit 6** for details regarding the process for complying with LBP regulations.

Applicants applying for HOME funds to implement homeowner rehabilitation, rental rehabilitation, homebuyer assistance or a tenant-based rental assistance program must demonstrate an understanding of LBP regulations and have a process in place to provide satisfactory compliance with the LBP regulations. The HOME program will thoroughly review the Applicant's written policies and guidelines in its management plan, and assess its ability to provide the necessary personnel and the qualified contractors. Simply copying pages from a regulation or handbook does not demonstrate a LBP program is in place.

For housing that has been kept in good repair and, upon a visual assessment, does not have deteriorated paint (cracking, scaling, chipping or peeling), LBP is not considered to be a hazard. A visual assessment certification is obtained by completing the HUD certified on-line training at:

<http://www.hud.gov/lea/training/visualassessment/h00200.htm>

K. CONTRACT OPPORTUNITIES TO MINORITY AND WOMEN-OWNED BUSINESSES

Affirmative steps must be taken to assure that minority and women-owned businesses are used, when possible, as sources of supplies, equipment, construction and services.

IV. PROGRAMS

A. RENTAL HOUSING

1. HOME Rents

Every HOME-assisted rental unit is subject to rent limitations designed to ensure that rents are affordable to low- and very low-income tenants. These maximum rents may be referred to as HOME Rents. There are two HOME Rents established for projects: High HOME Rents and Low HOME Rents.

Refer to **Exhibit 8** for a copy of the HUD HOME Program Rents.

a. High HOME Rent

High HOME Rent is defined as rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

b. Low HOME Rent

Low HOME Rent is defined as rent, which do not exceed the lesser of:

- i. A rent that does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits, which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under a. of this section, then the maximum rent for units under this paragraph is that calculated under paragraph a;
- ii. The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

NOTE: In rental projects with five or more HOME-assisted units, twenty (20) percent of the HOME-assisted units must be occupied by very low-income families and meet one of the above low HOME rent requirements.

c. Utility allowances.

HOME rents include utility allowances. The HOME Program utilizes the Section 8 utility allowances. For all units subject to the maximum rent limitations in paragraphs (a) & (b), of this section for which the tenant is paying utilities and services, the Grantee must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

Regardless of these rent maximums, consideration must be given to keeping the established rents at or below the actual market rent in the community of the proposed property to ensure marketability.

Contact the HOME Program for utility allowances for the project area.

d. Rent Adjustments

MDOC will review any increase in rents to HOME-assisted units. The owner **MUST** have received MDOC approval and provide 30 day written notice to tenants prior to any increase in rents. If the published HOME rent decreases for projects for which HOME funds have been previously committed, an owner may continue to use the rents in effect at the time of project commitment.

2. Occupancy Requirements

a. At initial occupancy, rental housing will qualify as affordable only if the project meets the following occupancy standards:

i. At least 20 percent of the HOME-assisted rental units must be occupied by households with annual incomes that are 50 percent or less of Area Median Income (AMI). Rents for these units must not exceed the Low HOME Rents as described in the previous section.

ii. At least an additional 70 percent of the HOME-assisted rental units must be occupied by households with annual incomes that are 60 percent or less of AMI. Rents for these units must not exceed the High HOME Rents as described in the previous section.

iii. The remaining 10 percent of the HOME-assisted rental units must be occupied by households with annual incomes that are 80 percent or less of AMI. Rents for these units also must not exceed the High HOME Rents as described in the previous section.

b. Subsequent occupancy:

- i. At least 20 percent of the HOME-assisted rental units must continue to be occupied by households with annual incomes that are 50 percent or less of AMI with unit rents at or below the Low HOME Rent.
- ii. The remaining 80 percent of the HOME-assisted rental units must be occupied by households with annual incomes that are 80 percent or less of AMI with unit rents at or below the High HOME Rent. This requirement applies throughout the project's period of affordability.

Refer to **Exhibit 7** for a copy of the HUD HOME Income Limits.

A project that includes fewer than five HOME-assisted units is exempt from the 20 percent occupancy requirement both at initial and subsequent occupancy.

3. Mixed Income Project

HOME projects may have tenants with incomes above the area median income and low-income tenants living in the same building. A "mixed-income" project refers to a housing project containing less than 100 percent of the units qualifying as affordable housing. All HOME funds used in conjunction with a mixed income project must be used solely for the benefit of the affordable units in the project. Housing that accounts for less than 100 percent of the dwelling units in a project qualifies as affordable housing if the HOME-assisted units meet the occupancy requirements and rent limitations identified in this section.

For purposes of meeting affordable housing requirements for a project, the dwelling units specified as affordable housing may be changed over the affordability period, so long as the total number of affordable housing units remains the same, and the substituted units are, at a minimum, comparable in terms of size, features, and number of bedrooms to the originally designated affordable housing units.

Common area costs will be prorated based upon the number of affordable units and market rate units.

4. Mixed Use Project

The term "mixed-use" refers to housing in a project that is designed in part for uses other than residential. A building that is designed in part for other than residential housing may qualify as affordable housing under the HOME Program if such housing meets the rent limitations identified in this section. The laundry and/or community facilities that a project contains for the exclusive use of the project residents and their guests are considered residential use. Costs for common areas shared by both residential and commercial tenants shall be prorated.

5. Maximum Per Unit Subsidy/Cost Amount

The amount of HOME funds that may be invested in an affordable housing development are regulated under 24 CFR Part 92.250. HOME funds may not exceed the per unit dollar limits established by HUD under 221(d)(3) subsidy limits, which are provided in **Exhibit 9**.

The published HOME subsidy limits are considered limits and not targets or average costs. Current MDOC HOME project comparables will continue to be the driving factor in approving project costs.

In no event may the maximum subsidy exceed the actual development cost of the HOME-assisted units based upon their proportionate share of the total development cost. Common area rehabilitation costs may be covered in the same proportion or percentage as HOME-assisted units in the project. For example, if five out of ten units in the structure(s) are HOME-assisted, HOME funds may be used to cover one-half the common area rehabilitation costs.

- a. **Special Needs Housing: Group Homes and Single-Room Occupancy (SRO) Units.** Permanent housing for disabled homeless persons, group or transitional housing and single-room occupancy housing are eligible project activities. Applicants may choose to consider the housing unit as a single unit for HOME assistance purposes or, depending upon their size, choose to classify them as single-room occupancy (SRO) units. The maximum HOME subsidy amount will differ according to whether the housing unit is classified as a group home or an SRO.

A group home is housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the units and separate private space for each family, except in the case of shared one-bedroom units. It also includes group homes for elderly or disabled persons. These structures are usually large single-family units.

A group home is considered a one-unit project. A one-unit project consists of separate bedrooms and shared kitchen, dining, sanitary and/or other common area facilities. All occupants of single-unit HOME-assisted projects, except supportive service providers, must be low-income. The entire project is considered a single-unit for determination of the maximum HOME subsidy limit. The subsidy limit is based on the number of bedrooms in the unit. (See **Exhibit 9**.) Bedrooms occupied by resident supportive service providers are counted as eligible bedrooms for subsidy purposes.

Single-room occupancy is housing consisting of multiple single-room dwelling units that are the primary residence of the occupant or occupants. If the project consists of new construction, conversion of non-

residential space, or reconstruction, each unit must contain either food preparation or sanitary facilities, or both. For acquisition or rehabilitation of an existing residential structure, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants. SROs do not include facilities for students. All occupants of HOME-assisted units must be low-income.

An SRO is considered a multiple-unit project. The subsidy limit is based on the zero-bedroom subsidy amount times the number of units. (See **Exhibit 10** for a summary of the differences between SROs and group homes.)

Applicants may wish to meet the standards for an SRO project by installing either or both sanitary or food preparation facilities. Doing this would create individual units, thereby increasing the number of units that may be assisted with HOME funds.

6. Tenant Certifications and Recertifications

Tenant eligibility shall be determined by the owner at the time of occupancy and shall be reexamined at least annually.

7. Tenant Income Increases (Not applicable for combined HOME/Housing Tax Credit Properties.)

Tenants who no longer qualify under the HOME income restrictions **MUST** pay not less than 30 percent of the family's adjusted monthly income, as re-certified annually, and the unit must be marketed to HOME eligible families when vacated.

8. Tenant Protections

a. Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for at least ONE year, unless the tenant and the owner agree to a lesser term by mutual consent.

b. Prohibited Lease Terms. A list of prohibited lease terms is found in **Exhibit 11**.

c. Termination of Tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms of the lease; for violation of applicable federal, state or local law; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

- d. **Maintenance and Replacement.** An owner must maintain the total development in compliance with all applicable housing quality standards and local code requirements.
- e. **Tenant Selection.** Grantees must adopt written selection policies and criteria. A list of the minimum criteria is found in **Exhibit 12**. Owners may not refuse to lease a HOME-assisted unit to a family because it holds a HUD Section 8 Housing Choice Voucher.

B. HOMEOWNERSHIP

1. Qualifications

The homeowner/homebuyer shall have an annual income that does not exceed 80 percent of the AMI for the area and shall utilize the HOME-assisted residence as its principal residence. (Refer to **Exhibit 7** for a copy of the HOME Income Limits.)

For homebuyer activities (acquisition) the purchase price and appraised value of the property must not exceed the FHA 203(b) mortgage limits. Refer to **Exhibit 9** for the FHA 203(b) mortgage limits. For homeowner rehabilitation, the after-rehabilitation value cannot exceed the FHA 203(b) mortgage limits.

2. Recapture/Resale Restrictions

Homebuyers assisted under HOME will be required to adhere to either recapture or resale guidelines as specified by 24 CFR 92.254. (Note: Either recapture or resale must be specified in the application; Applicants **cannot** choose to do both.) Applicants for homebuyer assistance or single-family new construction projects need to submit their policy for recapture or resale if a home is sold during the period of affordability. Applicants should also outline their equity sharing policies.

Recapture:

Under the recapture option, an owner who is subject to recapture is required to repay all or a portion of the HOME subsidy if the property is sold or transferred during the affordability period. The seller is allowed to sell the home to any willing buyer at any price as long as the HOME debt remaining on the property is repaid. If the sale of a HOME-assisted house during the affordability period results in repayment of the HOME subsidy and/or a share of the increased equity, the Grantee can use the proceeds as program income for any HOME-eligible activity. However, only 10 percent of the equity portion only can be used for administrative costs. For example, a homebuyer who originally received \$10,000 in HOME funds for down payment assistance sells the home during the affordability period. The Grantee gets back the original \$10,000 investment, which it can use for any HOME-eligible activity. The Grantee also receives an additional \$5,000 – its share of the increased equity in the home. Only 10 percent of the increased equity, or \$500, can be used by the Grantee for administrative costs.

Resale:

The objective of the resale option is to continue the affordability of a property in the event of resale. The Grantee must ensure that the terms of resale are both affordable to the new buyer and fair to the seller. Finding this balance may be complicated by fluctuations in price, interest rates, and availability in uncertain housing markets. In a typical program using this option, the seller is obligated to either find an income-eligible buyer who can afford the sales price, or to sell the property to the Grantee at a price that will keep the property affordable for the next low-income buyer. In situations that might benefit from such controls, the resale option offers Grantees an attractive alternative to searching for other affordable properties in the future for their homebuyer programs.

If HOME assistance provides only development subsidy (construction, infrastructure, land acquisition, etc.) this resale option must be used because construction and development subsidy is not subject to recapture.

Equity Sharing:

In housing markets where property values increase rapidly, Grantees must consider how the appreciated value of a home would be dispersed between the Grantee and the homeowner at the time of sale.

3. Eligible Homeownership Programs**Down Payment/Closing Cost Assistance:**

At time of closing, the HOME funds must be identified as such on the settlement statement.

Site Development:

Funds may be used for the acquisition and/or development of affordable lots in new housing subdivisions, however, land banking is prohibited. The developed lots must be sold to persons with an income not exceeding 80 percent of AMI.

Infrastructure:

Funds may be used for utility connections including off-site connections from the property line to the adjacent street and to make improvements to the project site that are in keeping with improvements of surrounding, standard projects. Site improvements may include sewer and water lines necessary for the development of the project. All HOME grant funds must be eventually linked to a housing unit and a specific residential address.

C. MANUFACTURED HOUSING (EXCLUDING MODULAR HOUSING)

For HOME purposes, HUD has a specific definition for manufactured homes as well as specific requirements in order to be eligible for assistance with HOME funds. Experience has shown that frequent problems have arisen when attempts have been made to rehabilitate mobile homes. Similarly, significant problems

have arisen when families are relocated to older mobile homes. The HOME Program encourages extra care and analysis when contemplating applications involving manufactured homes. Consideration of other alternatives, such as relocation to a conventional "stick-built" home in standard condition, purchase of modular housing, as well as down payment assistance, should be carefully evaluated. These alternatives may prove to be far more cost-effective in the long run.

HOME funds may be used to purchase and/or rehabilitate a manufactured housing unit, or purchase the land upon which a manufactured housing unit is located. At the time of project completion, manufactured housing that is rehabilitated with HOME funds must:

- meet or exceed the standards established by the Manufactured Home Construction and Safety Standards Act 24 CFR 3280. All transportable sections of manufactured homes built in the U.S. after July 15, 1976, must contain a red label, which is the manufacturer's certification that the home section is built in accordance with HUD's construction and safety standards. HUD standards cover Body and Frame Requirements, Thermal Protection, Plumbing, Electrical, Fire Safety and other aspects of the home.
- be connected to permanent utility hook-ups;
- be located on land that is owned by the manufactured housing unit owner or on land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability; and
- be on a permanent foundation that meets local and State standards for this type of unit.

Grantees considering any housing activity involving manufactured housing must clearly state this in their application and provide a clear, justifiable rationale for the request.

D. TENANT-BASED RENTAL ASSISTANCE (TBRA)

TBRA is a rental subsidy program used to help an eligible tenant with rent costs and security deposits. TBRA payments make up the difference between the amount the family can afford to pay for housing costs (30 percent of adjusted annual income) and the rent standard of the housing selected by the family. The subsidy payment may be paid to the tenant or the owner and cannot exceed 24 months.

HOME rental assistance must be tenant-based, not project-based. Tenants must be free to use their assistance in any eligible unit.

Security deposit assistance cannot exceed the equivalent of two months' rent for the unit and may be in the form of a grant or loan to the tenant. If security deposit

assistance is in the form of a loan, loan repayments are considered program income.

The Grantee must establish a minimum tenant contribution to housing cost.

HOME TBRA assistance cannot be used for:

- assisting resident owners of cooperative housing;
- preventing the displacement of tenants from projects assisted with Rental Rehabilitation Program funds;
- providing vouchers to homeless persons for overnight or temporary shelter; and
- duplicating existing rental assistance programs.

TBRA should be viewed as a short-term solution to a community's housing needs. Applicants must demonstrate how a TBRA program would be used to initially resolve a need and how the community plans to address that need permanently.

V. APPLICATION PROCESS

Applicants must use the Uniform Application and these HOME Program Guidelines to request funding for qualified projects. Applicants who do not meet the minimum threshold requirements identified in **Exhibit 1** will not be considered for funding.

Funds expended prior to grant award will not be considered for reimbursement. Reimbursement of funds expended after grant award but prior to the release of funds is contingent on completion of an executed HOME Contract, an approved Environmental Review Record, a firm commitment of all funds and an approved Management Plan. If a HOME Contract is not executed or a Grantee is unable to comply with the terms and conditions of the agreement, any costs incurred will be the responsibility of the Applicant.

A. ORDER OF APPLICATION

To facilitate the ranking process, all applications **must be submitted** following the Order of Application in **Exhibit 13**. Applications are competitively ranked. Having all applications submitted in three-ring binders and organized following the Order of Application will result in a fair and equitable comparison of each of the ranking criteria.

B. RESOLUTION TO SUBMIT AND AGREEMENT TO CERTIFICATIONS

Applicants must include a signed original *Resolution to Authorize Submission of Application and an Agreement to Certifications for Application* with their application. The resolution, agreement and certifications are located in **Exhibit 14**. Within the six-month period prior to submitting an application, each Applicant's governing body must adopt or pass, sign and date the resolution and agreement. Applicants should read this section carefully and fully understand the commitment and responsibilities associated with it. MDOC assumes the Applicant has determined its own legal authority under Montana law to apply for the grant and to conduct the activities proposed in the application.

C. EVALUATION

In evaluating applications, MDOC will rank each application based on its own merits and in comparison to those submitted by other HOME Applicants. After reviewing each application, a ranking team will evaluate the degree to which each proposed program responds to applicable criteria.

After submission of an application, Applicants are expected to keep MDOC informed of any developments that could affect the viability of the proposed project. MDOC may contact the Applicant to clarify issues, or to verify information contained in the application. A failure to respond to any criterion will result in no points being awarded for that criterion.

Numerical or percentage claims will be accepted and considered valid only to the extent they are clearly substantiated. The Applicant should not make

assumptions that ranking team members are already aware of the important details regarding their HOME proposal, but should rather spell out such details as clearly and succinctly as possible. Likewise, Applicants must submit only information that supports or validates statements made in the application. Submitting a complete, 200-page Needs Assessment may be more detrimental to the overall evaluation than simply including a complete summary that is short and understandable. Conversely, providing no documentation to support or validate information will result in an equally low score.

D. DETERMINATION OF HOME AWARD

HOME funds are intended to be used as gap financing. The difference between total project costs and total available financing resources (including owner equity requirements) is referred to as the "gap". A typical HOME financing project includes owner equity; conventional, Board of Housing and/or other financing, CDBG and/or other grants; LIHTC and other local public sources of funding, along with HOME funds to fill the gap. Based on this evaluation, an analysis to determine the necessary amount of HOME funds will be done at the time of application provided all project costs are finalized and certified.

MDOC will not process any application that is not financially feasible.

Ranking will be completed and staff recommendations will be ready for consideration by the Montana Department of Commerce by September 15, 2002. Upon Director approval, all Applicants will be notified, in writing, whether or not their applications have been selected.

VI. RANKING CRITERIA

All projects under consideration for a HOME grant award are evaluated using the following specific criteria.

- | | |
|---|-------------------|
| • Planning, Needs Identification and Project Design | 100 points |
| • Financial Management | 200 points |
| • Capacity Determination | 200 points |
| • Program Management | <u>100 points</u> |
| <i>Total points possible</i> | <i>600 points</i> |

Each criterion has been assigned a number of points representing its relative priority or worth. Each application is awarded points based on the Applicant's overall response to the specific criterion, in comparison to other applications. It is incumbent upon the Applicant to prepare and submit documentation to verify standards, conditions or statements presented in response to any of the ranking criteria. Any person with a question or concern regarding any of the ranking criteria should contact the HOME

program before submitting an application. *Each criterion* will be ranked according to the following point system:

	<u>Points Assigned</u>	
	<u>100</u>	<u>200</u>
➤ No Response (Applicant did not provide a response for criterion)	0	0
➤ Minimum Response (Applicant has provided minimal response)	25	50
➤ Average Response (Applicant has met regulatory requirements)	50	100
➤ Good Response (Applicant has met regulatory requirements and has taken extra measures to address this criterion)	75	150
➤ Excellent Response (Applicant has met regulatory requirements and has utilized an exemplary approach to address this criterion)	100	200

Applications for funding must receive at least 300 points in order to be eligible for funding. Each application may be assigned up to a maximum of 600 points. It is in the Applicant's best interest to completely address information under each of the applicable ranking criterion. All statements and summaries provided in the narrative must be supported by documentation in appendix and appropriately referenced in the narrative.

VII. PROGRAM OVERVIEW

Before addressing the individual application-ranking criterion, the Applicant is asked to present an **overall narrative** describing the proposed program. The summary narrative should not exceed two pages in length. This narrative will enable the ranking team to gain an immediate understanding of the overall scope of the HOME proposal, including the key elements of the program.

VIII. NARRATIVE SECTIONS

A. PLANNING, NEEDS IDENTIFICATION, AND PROJECT DESIGN (100 points)

Use the following outline as a guide to organize and write your ranking narrative. This section provides the Applicant an opportunity to fully describe the process used to identify the community's housing needs and determine solutions to the identified needs

Applicants must provide documentation to justify the planning process, needs identification and project design. However, superfluous documentation will result in a lower score under this criterion.

PLANNING PROCESS

1. Provide a summary of the community's overall housing planning process used in developing a strategy for addressing the housing needs in the community, including a brief review of past efforts addressing housing needs, priorities and potential solutions to the needs, and the community's long-term housing plan. *(If there is a housing plan document or the housing element has been incorporated into the overall comprehensive plan, include documentation of these in the appendix.)*
2. Identify efforts to link housing planning to other community, economic, and human development activities.
3. Outline the public hearing process and methods used to encourage maximum citizen participation (particularly low income citizens) during the planning process and development of community housing plans and the HOME proposal. Applicants showing additional citizen involvement beyond the minimum requirements may rank more competitively.
4. Describe how the feedback, both positive and negative, obtained through the public review process was incorporated into the assessment and prioritization of overall housing needs in the community, and into the specific project choice and design of the HOME project.
5. Include in the appendix a record of hearings, copies of the public notice or affidavits of publication, names of persons attending, summary of comments received at the public hearings, minutes, and records of any other meetings held in connection with the proposed HOME application.

HOUSING NEEDS IDENTIFICATION

1. Provide the rationale for the choice of developing this particular project versus other alternative projects and detail other project alternatives that were considered prior to selecting the project presented in this application (in terms of project types and targeted beneficiaries).
2. If the highest priority housing need is not addressed in the proposal, discuss the reasoning and factors that led to addressing a lower priority need (training, resources, experience, availability of land, timing, etc.) and how the highest priority will be addressed.
3. Identify special housing needs populations served by the project, i.e., homeless persons, people with serious disabling mental illness, people with developmental disabilities, people with physical disabilities, elderly people, TANF recipients, single head of households, etc.

4. Address other community needs, such as community living opportunities for persons with disabilities, homelessness, welfare reform efforts, elderly services, etc., that are met and directly supported by this project.
5. Document the housing needs of project beneficiaries including assessing the willingness and ability of the potential beneficiaries to participate in the proposed project. Provide documentation in the appendix to support the choice of beneficiaries.
6. Analyze the potential market for the housing program and include a copy of the market study in the appendix. Provide relevant documentation in the appendix to demonstrate market demand and sufficient pool of project beneficiaries.

PROJECT DESIGN

1. Identify innovative strategies evident in the project's planning and design. These could include energy conservation measures, value engineering measures or other cost effective measures, enhanced physical accessibility, approaches to periods of affordability, internal space use, land use, aesthetically pleasing design elements, financing, partnerships, under-served populations, or other approaches that the Applicant believes to be an innovative best practice.
2. Verify that all federal, state, local and private alternatives available to address the identified needs were reviewed including working cooperatively with city, county, tribal, and other local government entities, PHAs, CHDOs, community organizations, and other interested community stakeholders in developing this specific project and in addressing the area's overall affordable housing needs.
3. Describe how the project location or targeted area provides project beneficiaries close access to essential community services. Include a map of the project location or targeted area in the appendix.
4. Discuss the strategy used to match the identified housing needs to the best sources of funding. Provide a justification detailing why your proposal is the most appropriate application of limited public funds.
5. Outline the necessary conditions for various activities to proceed. Present an overview of the commitment of potential, responsible entities most likely to play a significant role in the development of the project.
6. In the narrative, demonstrate how the Applicant developed a reasonable and achievable plan by matching local housing needs with local, State and Federal funding sources. Consider all local factors, including local planning

and zoning ordinances and policies that were taken into consideration when developing the overall housing strategy.

7. If supportive services are to be provided, describe the services and their level of intensity, and provide a letter of intent from the service provider.
8. Discuss the commitment and process to be used to serve the targeted beneficiaries for the term of affordability.

B. FINANCIAL MANAGEMENT (200 points)

This section of the ranking criteria seeks to establish the financial feasibility of an application. Applicants must supply a concise line-item narrative for the Financial Section of the Uniform Application (Section C). Note that not all line items in the Uniform Application's Uses of Funds Statement are eligible HOME expenses. See **Exhibit 15** for a Uses of Funds Statement with the HOME-eligible line items highlighted.

Remember to check all math calculations for accuracy and verify that total sources of funds equal total uses of funds.

1. Has the Applicant provided a concise line-item narrative for the proposed budget? This should include an explanation of assumptions made in the budget.
2. Does the HOME column in the Uses of Funds Statement include only line items acceptable to the HOME program?
3. Does the Sources of Funds narrative demonstrate an acceptable mix of public and private funds?
4. Does the Uses of Funds narrative demonstrate that the Applicant has made conservative assumptions and considered all costs associated with the program?
5. Has the Applicant demonstrated that HOME is providing gap financing? Similar projects will be compared to each other. Applicants receiving maximum points in this category will have a low percentage of HOME funds relative to the total costs of the project.
Percentage of HOME funds to total project costs: _____%
6. Has the Applicant accounted for extra costs due to providing accessibility, addressing lead-based paint hazards, energy conservation measures, value engineering, local subdivision and zoning ordinances, etc.?

7. Has the Applicant demonstrated that a minimum of funds will be budgeted as soft costs relative to similar projects? Soft costs must be equal to or less than:

8% for new construction, acquisition and TBRA
10% for homebuyer assistance, and
12% for homeowner rehabilitation projects.

Percentage of soft costs to total project costs: _____%

8. Has the Applicant demonstrated that costs are reasonable?
- a. Total cost per unit: \$ _____
 - b. HOME cost divided by number of HOME assisted units: \$ _____
 - c. HOME project cost(excluding soft costs) divided by the number of HOME assisted units. \$ _____
 - d. HOME soft costs divided by HOME hard project costs: _____%
9. Has the Applicant demonstrated that there is financial support from local sources? Proposals containing documentation for one of the following will receive maximum points:
- a. Local governmental incentives, including but not limited to cash, in-kind services, land acquisition, or tax abatements, to reduce development costs or enhance feasibility; or
 - b. Other private or foundation assistance to achieve greater feasibility and affordability.
10. Has the Applicant demonstrated that it will meet its match obligation? Is the match indicated a minimum, average or excellent level for this type of project?
11. Has the Applicant included commitment letters from all non-HOME sources of funds?
12. If the Applicant uses an indirect cost allocation plan, has a copy of the federally-approved plan been submitted with the application?
13. For *New Construction projects*:
- a. Does the entity responsible for financial management of the project have experience? A good reputation?
 - b. Does the Applicant substantiate the assumptions made in the cash flow narrative? Are those assumptions based on experience, market studies, or some other reliable information?
 - c. Does the Applicant use conservative assumptions in pro-forma statements? Conservative assumptions are income increases at 2% (or lower) per year, expense and replacement reserve increases at 3% (or higher) and vacancy rates at 5% (or higher).

- d. Is the Debt Coverage Ratio acceptable, i.e., between 1.15 to 1.30?
(DCR = net operating income / total annual debt service)
- e. Is the project financially viable?
- f. Is the overall business plan feasible?

14. For *New Construction and Rehabilitation projects*:

Has the Applicant demonstrated that the following costs are reasonable?

- a. Construction costs per square foot: \$ _____ / sq. ft.
- b. Total costs per square foot: \$ _____ / sq. ft.
- c. HOME total cost per square foot: \$ _____ / sq. ft.

15. For *Rehabilitation projects*:

Does the application substantiate average costs per unit? For example, has the Applicant received estimates from contractors for typical rehab activities, such as foundation repair, electrical work, furnaces, siding, roofing, window replacement, etc.?

16. For *Homebuyer Assistance projects*:

Does the application demonstrate that HOME funds are providing a minimum amount of assistance for families?

17. For *Tenant-Based Rental Assistance*:

If security deposits are provided, does the application demonstrate that they will be less than two months rent?

18. For *Rental projects*:

- a. Does the Applicant utilize proper utility allowances?
- b. Does the Applicant provide a description of any other governmental assistance and/or rental assistance associated with the project?
- c. If acquisition or rehab, does the Applicant, provide three years of historical year-end financials for the property/facility?

C. CAPACITY DETERMINATION (200 Points)

This section of the ranking criteria focuses on the overall ability of the Applicant to meet the housing purposes and goals it has presented in its application. This section includes a wide variety of issues that are interrelated to assure reviewers that the Applicant has the capability and project readiness to proceed and complete the project within twenty-four (24) months.

PAST PERFORMANCE

Applicants should discuss all past experience with housing concerns and evidence of capacity to perform. Applicant should briefly identify all grants previously funded through the HOME program for which the Applicant has received funding or has provided management services. Applicants may check with the HOME program, prior to submitting an application, to determine the completeness of continued affordability requirements. Ranking teams will

compare the information received in this section with HOME files on past funded projects.

1. Has the Applicant completed and submitted all past year's income certifications?
2. Has the Applicant completed and submitted all past year's program income/CHDO proceeds reports?
3. Has the Applicant shown its ability to perform by expending program income in a timely manner?
4. Has the Applicant received any Concerns, Questions of Performance or Findings on past monitoring reviews?
5. Has the Applicant successfully managed past funding awards for itself and/or other Grantees under contract?
6. Has the Applicant successfully adhered to its Implementation Schedule on past grant awards and completed past projects within 24 months?
7. Has the Applicant successfully fulfilled its commitments from prior year grant awards? For example, is the Applicant continuing to meet the needs at the income level committed to in previous applications?

For new Applicants only:

8. Has the Applicant demonstrated past performance in the management of similar grant programs or other public funds?
9. Has the Applicant developed a working relationship with a management team or firm, which has successfully managed similar grant programs or other public funds?

READINESS TO PROCEED

An Applicant must show the ranking team that its project will be completed within twenty-four months. Information provided in this category is critical. Therefore, any changes to the site will require a full review of the application and reconsideration by the MDOC HOME program. Applicant response, at a minimum, should include the following:

- Site specific information
- Firm evidence of interim and permanent financing
- Management resources
- Implementation schedule

Applicants must be committed to the Implementation Schedule provided. The ranking team will award more points to applicants who most clearly demonstrate a readiness to proceed.

1. Has the Applicant submitted a proposed development site plan showing build-up of site including location of all proposed buildings, streets, parking areas, service areas, playgrounds and any other significant details of the site? (New construction and substantial rehab projects only)
2. Has the Applicant submitted a typical floor plan for each living unit? (New construction and substantial rehab projects only)
3. Has the Applicant provided preliminary architectural plans for development with this application? (New construction and substantial rehab projects only)
4. Has the Applicant provided evidence of firm site control? The following are acceptable:
 - Purchase agreement (buy/sell) or option to purchase, signed by both the buyer and the seller
 - Warranty deed or title
 - Long term lease (minimum 99 years)
 - A contract for deed
5. Has the Applicant provided evidence that the project site is properly zoned at the time of application?
6. Has the Applicant provided evidence of availability of utilities at the site? Acceptable documents include a letter from the municipality where the project will be located, or from the applicable utility company.
7. Release of funds is contingent on the review and approval of an Environment Review Record/Assessment. Has the Applicant completed an Environmental Review Record to ensure project meets this criterion for the release of funds?
8. Has the Applicant provided firm evidence of interim and permanent financing commitments to ensure the viability of the project? Letters of commitment are acceptable if they clearly state the dollar amount of the commitment.
9. Since HOME funds must be expended within 24 months of the tentative grant award, adequate management resources are essential. Identify current HOME, CDBG, LIHTC, TSEP or other projects the applicant is working on or has promised management services to during the coming two years.

SCOPE AND SCALE

Applicants are required to show the effective scope and scale of their project in relation to resources, funds, and availability of eligible Applicants. In this section, an Applicant must clearly demonstrate it has adequately assessed key issues in relation to the size of the project and the amount of HOME funds requested. The ranking team will evaluate the proposed project based on specific documentation included in this response.

1. Has the Applicant demonstrated that the size of the project relative to the community need and resources available is acceptable.

Need met by this activity? _____ %

2. Has the Grantee successfully reviewed the resources available to complete the grant within the 24-month implementation schedule?

ACTIVITY SPECIFIC INFORMATION:

1. *New Construction/Rehabilitation:* Has the Applicant demonstrated a sufficient number and type of contractors available to perform the work required under this grant?

Number of units to be constructed or rehabilitated? _____

2. *Homebuyer Assistance:* Has the Applicant demonstrated that there are both sufficient houses for sale for families at or below 80% of AMI and there are sufficient numbers of families wanting to purchase a home?

Number of families to be assisted with down payment and closing cost assistance? _____

3. *Tenant-Based Rental Assistance:* Has the Applicant demonstrated both sufficient units for rent and sufficient numbers of families requiring rental assistance?

Number of families to receive tenant-based rental assistance? _____

D. PROGRAM MANAGEMENT (100 points)

After a HOME grant is awarded, the release of funds is contingent upon the review and approval of a Management Plan for the project. The more complete the Management Plan submitted with the application, the more quickly funds can be released and then disbursed.

A Management Plan is essential not only during the administration of the grant funds, but also for the full period of affordability. The applicable outline in **Exhibit 16** will provide Applicants with a tool to think through their entire programs before

their applications are submitted. Another important role of the Management Plan is to ensure the continuity in the administration of the program, regardless of changes in personnel.

The Applicant's Management Plan should demonstrate an understanding of the entire project's life, from application through the end of the period of affordability. The Applicant's familiarity with HOME requirements and regulations, and how they will be integrated in the organization, should be evident in the Management Plan. It should also demonstrate the ability of the Applicant or its management entity to manage the project throughout the period of affordability regardless of internal changes (loss of staff, reorganization, etc.).

The Applicant's Management Plan needs to follow the applicable outline provided in **Exhibit 16**.

1. Has the Applicant identified and demonstrated the capability of the grant management team to manage the project? In light of commitments to other programs, HOME, CDBG, LIHTC, TSEP, etc., has the Applicant clearly demonstrated it has the staff, resources and ability to perform all commitments concurrently?
2. Has the Applicant provided sample management documents in the Management Plan? Examples would include income verification forms, deed restrictions, rental agreements, and other contracts with homeowners and/or contractors, etc.
3. Is the Management Plan complete, demonstrating readiness to proceed on the project? Has the Applicant included all applicable sections in the Management Plan identified in **Exhibit 16**?
 - a. Does the Management Plan include all certifications, plans, policies and resolutions?
 - b. Does the Management Plan demonstrate an integration of this project into the organization's entire management?
 - c. Does the Management Plan demonstrate how the project will be financially organized and managed?
 - d. Does the Management Plan include a complete and realistic implementation schedule?
 - e. Are all non-discrimination and equal opportunity housing rules addressed?
 - f. Does the Management Plan address all environmental requirements, especially lead-based paint regulations, as applicable?
 - g. Does the Management Plan address all general program rules?
 - h. Does the Management Plan address all program specific requirements?





EXHIBIT 1

APPLICATION ELIGIBILITY THRESHOLD REQUIREMENT

Applications must be complete when submitted to the Montana Department of Commerce (MDOC). This form identifies the minimum regulatory requirements to compete for HOME funds. Fill this form out and submit with Application. Documentation must be provided where applicable. **Omission of any information will result in an applicant's non-consideration.**

NOTE: Section VII, Ranking Criteria, presents the ranking criteria for application scoring.

APPLICANT: _____

- Local Government
- CHDO
- PHA

Amount Requested for Administration? _____
 Amount requested for Project? _____
 Total amount of HOME funds requested? _____
 Type of activity? _____

Applicants who fail to meet any of the minimum threshold requirements will not be considered for funding.

YES	NO	
General Requirements		
		Application postmarked or received on or before application deadline date?
		Has applicant used current year's format for Uniform Application and HOME Guidelines?
		Has applicant provided a definitive project description in the summary?
		Are the soft costs appropriate for this type of project?
		If a CHDO or PHA, is there a letter of support for the project from the local jurisdiction(s) specifically stating the proposed housing project is consistent with the local comprehensive plans and zoning ordinances?
		Did applicant apply to HOME only once this round?

YES	NO	
		Is the Resolution to Authorize Submission of Application and agreement to certification for Application dated within 6 months of the application submission and signed by Chief Elected Official or Executive Officer? <i>(With Original Signature or certified copy of original signature.)</i>
		Is a copy of the Certificate of Consistency with the Consolidated Plan included?
		Does the Implementation Schedule show project completion within 24 months?
Citizen Participation Process		
		Did the applicant hold at least one public hearing within two months of the application due date?
		Has applicant submitted a record of public hearing(s), proof of advertisement, summary of comments and names of persons who attended the meeting(s)?
Match Eligibility		
		Will the minimum 5% match requirement be met with match eligible funds and were they verified as eligible through a HOME confirmation letter?
		Was the match supporting documentation provided?
Site Control		
		For rental or new construction projects, does the applicant have <u>firm</u> evidence of site control? <i>(Title, deed, 99-year lease, etc.)</i>
Environmental Review		
		Has a preliminary environmental review been completed?
		Have CHDOs and PHAs provided documentation that the unit of local government has agreed to conduct the ER on behalf of the CHDO or PHA?
CHDO Requirements		
		Is there a current year CHDO certification on file for the applicant?
		Has the CHDO submitted a summary of recent years operating expenses?
		Are the CHDO's HOME funded operating expenses less than 50% of the CHDO's total operating expenses or \$50,000 <i>(whichever is greater)</i> ?
Maximum/Minimum		
		Is there a minimum of \$1,000 committed to each HOME assisted unit?

YES	NO	
		Is the maximum dollar amount of HOME funds committed to each unit within regulation guidelines?
Tenant Relocation		
		Have existing tenants been properly informed of relocation procedures?
Past Grantee Eligibility		
		Are all HOME grant(s) over two (2) years old (FFY1999 and earlier) complete and have a conditional closeout submitted?
		If an open 2001 HOME grant, was at least 55% of the project funds drawn down by July 1, 2002?
		If an open 2000 HOME grant, was at least 75% of the project funds drawn down by July 1, 2002?
		If prior HOME grant(s) outstanding, have all audit, monitoring or performance findings been resolved?
		If prior HOME grant(s) outstanding, is applicant in compliance with project Implementation Schedule?



EXHIBIT 2

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

A CHDO is a private nonprofit organization certified by the HOME program to perform housing-related activities involving *ownership*, *sponsorship* and *development*. Each CHDO must demonstrate staff capacity and development in order to retain CHDO status annually. For this reason, a CHDO may not subcontract all program related duties on a continual basis. A CHDO may have a multi-county service area; however, it may not cover the entire State of Montana. Organizations applying to become a CHDO in the State of Montana agree to the following:

1. Certification by Montana Department of Commerce (MDOC);
2. Incorporation under State of Montana law;
3. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
4. Is neither controlled by, nor under the direction of individuals or entities seeking to derive profit or gain from the organization. A CHDO may be sponsored or created by a for-profit entity, BUT:
 - The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm;
 - The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body, nor may board members appointed by the for-profit entity appoint the remaining two-thirds of the board members; and
 - The CHDO must be free to contract for goods and services from vendors of its own choosing;
5. Has a tax exemption ruling from the Internal Revenue Service under section 501(c) (3) or (4) of the Internal Revenue Code of 1986;
6. Does not include a public body or an instrumentality of a public body;
7. Has standards of accountability that conforms to OMB Circular No. A-110;
8. Has among its purposes the provision of decent housing that is affordable to low income and moderate income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;

9. Maintains accountability to low income community residents by:
 - Maintaining at least one-third of its governing board's membership for residents of low income neighborhoods, other low income community residents, or elected representatives of low income neighborhood organizations; and
 - Providing a formal process for low income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
10. Has a demonstrated capacity for carrying out activities assisted with HOME funds; and
11. Has a history of serving the community within which housing to be assisted with HOME funds is to be located.

Any organization that would like to apply for CHDO status in the State of Montana must contact the HOME program for an official CHDO application.

CHDOs can apply for HOME grants to complete *development, ownership and sponsorship* activities. CHDOs are also eligible to apply for non-CHDO activities; however, a CHDO loses its' CHDO status for the applicable year of competition and will not receive special consideration for the 15 percent set-aside funds.

CHART 1: CHDO ACTIVITIES	ACTIVITIES ELIGIBLE FOR CHDO SET ASIDE			ACTIVITIES NOT ELIGIBLE FOR CHDO SET ASIDE
	CHDO Developer*	CHDO Sponsor	CHDO Owner	CHDO GRANTEE
Acquisition/rehabilitation of rental housing	X	X	X	
New construction of rental housing	X	X	X	
Acquisition/rehabilitation of homebuyer properties	X	X	X	
New construction of homebuyer properties	X	X	X	
Direct financial assistance (i.e. downpayment and closing costs) to purchasers of HOME-assisted homebuyer housing owned, sponsored or developed by a CHDO with HOME funds	X	X	X	
Tenant-based rental assistance (TBRA)				X
Homeowner rehabilitation				X
Provision of down-payment or closing cost assistance				X
Brokering or other real estate transaction when CHDO acts as a conduit for HOME funds				X
* If a CHDO's involvement in a development is as an owner, it MUST have control of the development, as evidenced by legal title or a valid contract of sale.				

EXHIBIT 3

SAMPLE LETTER TO TENANTS

Grantee or Agency Letterhead

(date)

Dear _____:

On (date) , (property owner) submitted an application to the (Grantee) for financial assistance to rehabilitate the building which you occupy at (address) .

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

If the application is approved and Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact (name), (title), at (phone).

(address)

Sincerely,

(name and title)

NOTES:

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See Paragraph 2-3d of URA Handbook 1378).
2. This is a guideform. It should be revised to reflect the circumstances.

EXHIBIT 4

MATCHING CONTRIBUTION REQUIREMENTS

By establishing the HOME Program, Congress intended to establish a partnership between the federal government, states, units of local government and nonprofit organizations to expand the supply of affordable housing for low-income families. According to 24 CFR Part 92 §218, contributions must be made to qualified housing in an amount equal to 25 percent of appropriated HOME funds drawn down for housing projects. These contributions are referred to as "match".

For FFY2002, applicants must meet five percent of the match obligation and MDOC will meet twenty percent. To be considered eligible match, a contribution must be made from nonfederal sources and must be made to housing that is assisted with HOME funds. Contact MDOC for a confirmation letter of match liability for each project.

Matching contributions may be in the form of one or more of the following. Please mark which kind of contribution you will be able to make.

- Cash contributions from nonfederal sources and permanently contributed to the HOME project. This contribution cannot be made by the owner/developer. Nonfederal cash match contributions to HOME-assisted or HOME-eligible projects may be expended for activities that are eligible project costs, as well as for costs that are not eligible HOME costs.
- Below-market interest rate loan from private lending institution.
- The value of state or local taxes, fees, or other charges that are normally imposed but are waived, foregone, or deferred.
- The value of donated land or other real property, before the HOME assistance is provided and minus any debt burden, lien, or other encumbrance.
- The cost of on-site and off-site infrastructure directly required for affordable housing assisted with HOME funds, not paid with federal resources. (The cost of infrastructure related to affordable housing that is NOT HOME assisted is not an eligible form of match).
- Proceeds from multifamily and single family affordable housing project bond financing validly issued by a State or local government, or an agency, instrumentality, or political subdivision of a State and repayable with revenues from the affordable housing project.
- Donated site-preparation and construction materials not acquired with federal resources and any donated or voluntary labor in connection with the site-preparation.

____ Value of donated or voluntary labor or professional services for site preparation, rehabilitation and/or construction of affordable housing. (An unskilled labor rate is \$10/hr. Skilled or professional rate is the normal market rate.)

____ Value of sweat equity for a homeownership project.

____ Direct cost of supportive services for families residing in HOME assisted units during the period of affordability or receiving HOME tenant based rental assistance.

____ Direct cost of homebuyer counseling services to families that acquire properties with HOME funds.

____ Twenty-five percent (25%) of the face value of most Montana Board of Housing loans.

____ Other _____

Please provide MDOC with a list of proposed match and MDOC will determine the value of the eligible form of match to be utilized for the project.

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

If you have questions, please contact the HOME program at (406) 444-0092.

EXHIBIT 5

MEETING NOTICE

The (Governing Body of Applicant) will hold a public hearing on (day), (date), (time), in the (building) at (place), for the purpose of obtaining views of the residents of the county (or city or town), especially low and very low-income residents, regarding the community's housing needs and priorities of the (name of local government) for housing improvements. The (Grantee) is considering submitting an application to the Montana Department of Commerce for a HOME Investment Partnership Program Grant, and wants to obtain public comment on the needs of the community. The (Governing Body) will discuss the purpose of the HOME Program and the variety of activities eligible for funding. At the public hearing, everyone will be given the opportunity to express their opinions regarding the (city or county or Grantee's jurisdiction) needs and the type of projects, which should be considered. Comments may be given orally at the hearing or submitted in writing before (time and date).

Anyone who would like more information or who would like to submit suggestions should contact (person), (title), (telephone number). A copy of the HOME Grant Application Guidelines is available for review at (location) during regular office hours.

The (Governing Body) makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this hearing. Persons needing an accommodation must notify (who) no later than (date) to allow adequate time to make needed arrangements. Please call (telephone number) or write to (address) to make your request known.

EXHIBIT 6

SUMMARY OF HUD'S LEAD-BASED PAINT (LBP) REQUIREMENTS

These requirements **do not** apply if:

- less than two square feet (2 sq. ft.) of LBP in any one interior room or space; less than 20 sq. ft. on exterior surfaces; or less than 10% of the total surface area on a type of component will be disturbed; and
- upon visual inspection, there is no chipping, peeling or cracking paint.

Please contact HOME program staff if you have questions about these requirements.

Amount of HOME Funds	Lead-Based Paint Requirements for LBP work on pre-1978 housing units
<p>1. Property receiving less than or equal to \$5,000 per unit for rehabilitation work</p>	<p>(a) Notification:</p> <ul style="list-style-type: none"> a) Grantees must distribute a lead hazard information pamphlet to occupants and receive acknowledgement of receipt. See Exhibits 2-U and 2-V*. b) Grantees must notify owners of defective paint surfaces discovered. c) Owners must disclose presence of LBP to current and prospective homebuyers/occupants. See Exhibit 2-T*. <p>(b) Paint Testing: Grantees may presume the presence of lead-based paint in lieu of conducting an inspection. If no presumption is made, an EPA-certified LBP Inspector or Assessor must inspect the unit(s).¹</p> <p>(c) Lead Hazard Reduction/Control:</p> <ul style="list-style-type: none"> a) Repair all disturbed paint surfaces.² b) Use safe work practices during rehabilitation. <p>(d) Clearance: (for the LBP hazard reduction work area only) An EPA-certified LBP Risk Assessor or LBP Clearance Technician must assure the unit is safe for occupancy.¹</p> <p>(e) Notification: Owners, occupants and prospective occupants or purchasers must be notified of the results of any lead hazard reduction work. See Exhibit 2-W*.</p>

* **NOTE:** Exhibits referred to in the LBP requirements maybe found in the current year HOME Administration Manual.

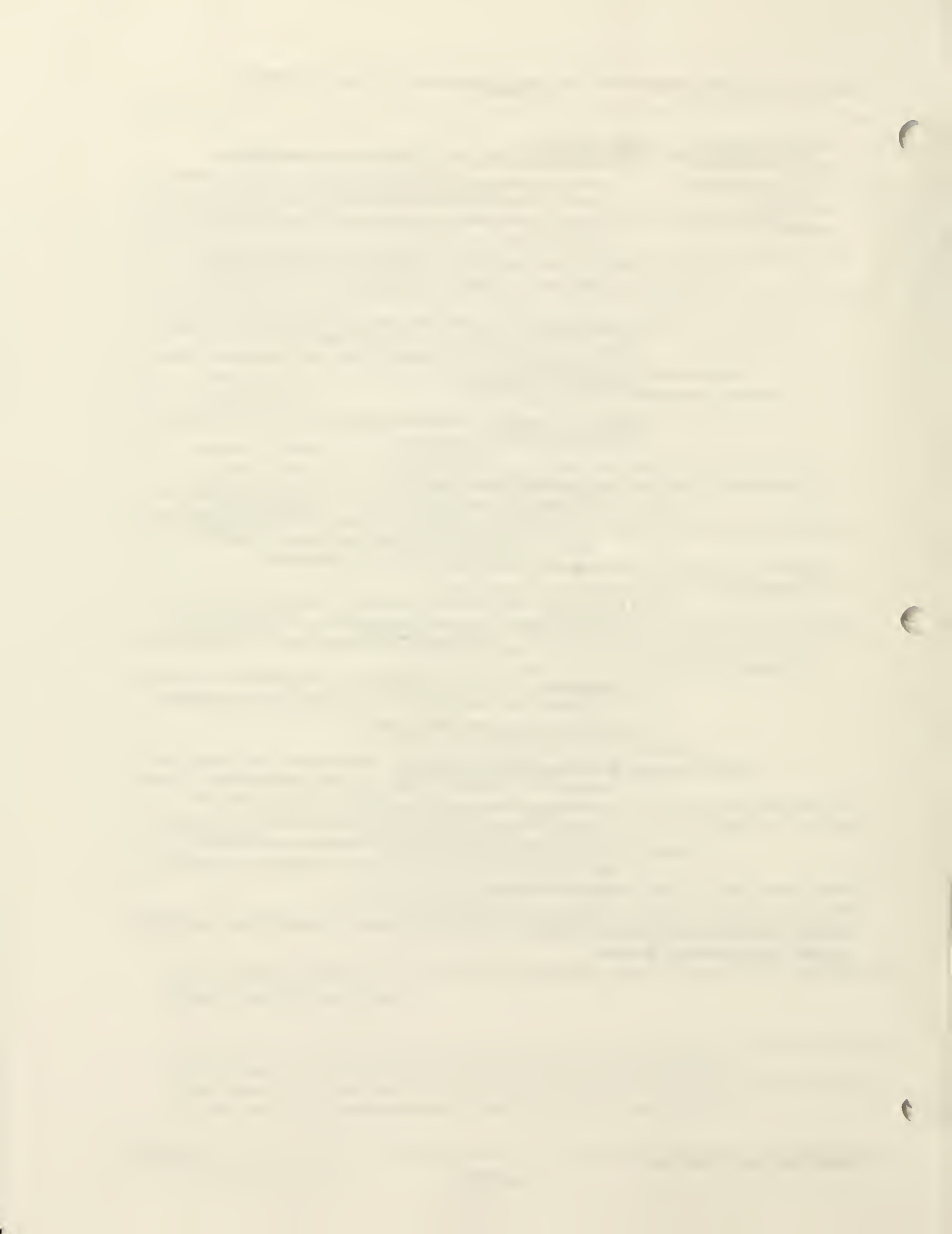
¹ To be considered an EPA-certified inspector, assessor, clearance technician or supervisor, one must complete a weeklong training and successfully pass the EPA-administered exam.

² To be considered a HUD-certified worker, one must complete a one-day, HUD-sponsored "Work Safely with Lead Paint During Maintenance and Rehabilitation Projects" training session.

Please contact HOME program staff if you have questions about these requirements.

<p>2. Property receiving more than \$5,000 and up to \$25,000 per unit for rehabilitation work</p>	<ul style="list-style-type: none">(a) Notification:<ul style="list-style-type: none">a) Grantees must distribute a lead hazard information pamphlet to occupants and receive acknowledgement of receipt. See Exhibits 2-U and 2-V*.b) Grantees must notify owners of defective paint surfaces discovered.c) Owners must disclose presence of LBP to current and prospective homebuyers/occupants. See Exhibit 2-T*.(b) Paint Testing: Grantees may presume the presence of lead-based paint in lieu of conducting an inspection. If no presumption is made, an EPA-certified LBP Inspector or Risk Assessor must inspect the unit(s).¹(c) Risk Assessment: A Risk Assessment by an EPA-certified LBP Risk Assessor is required.¹(d) Lead Hazard Reduction/Control:<ul style="list-style-type: none">i. HUD-certified workers must perform the stabilization work (implementation of interim controls).² These persons do not need to be EPA-certified LBP supervisors or workers.ii. Use safe work practices during rehabilitation.(e) Clearance: The LBP hazard reduction work area must be cleared to assure it is safe for occupancy. An EPA-certified Risk Assessor or Clearance Technician must do the clearance.(f) Notification: Owners, occupants and prospective occupants or purchasers must be notified of the results of any lead hazard reduction work. See Exhibit 2-W*.(g) Ongoing LBP maintenance: The owners of the property are responsible for maintaining the lead-free environment. If, upon annual inspection, chipping, peeling or cracking paint is present, EPA-certified personnel must inspect and assess the lead risk in the unit; HUD-certified workers must stabilize the deteriorated paint; and an EPA-certified person must perform clearance testing.
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* NOTE: Exhibits referred to in the LBP requirements maybe found in the current year HOME Administration Manual.



Please contact HOME program staff if you have questions about these requirements.

<p>3. Property receiving more than \$25,000 per unit for rehabilitation work</p>	<p>(a) Notification:</p> <ul style="list-style-type: none">a) Grantees must distribute a lead hazard information pamphlet to occupants and receive acknowledgement of receipt. See Exhibits 2-U and 2-V*.b) Grantees must notify owners of defective paint surfaces discovered.c) Owners must disclose presence of LBP to current and prospective homebuyers/occupants. See Exhibit 2-T*. <p>(b) Paint Testing: Grantees may presume the presence of lead-based paint in lieu of conducting an inspection. If no presumption is made, an EPA-certified LBP Inspector must inspect the unit(s). ¹</p> <p>(c) Risk Assessment: A Risk Assessment by an EPA-certified LBP Risk Assessor is required. ¹</p> <p>(d) Abatement (Removal) of LBP Hazards:</p> <ul style="list-style-type: none">i. Rehabilitation will include <u>mandatory abatement</u> of all LBP.ii. EPA-certified persons must do all work. EPA-certified Inspectors, Risk Assessors, Supervisors and Workers are the only persons who may do work on a project involving greater than \$25,000 worth of rehabilitation on a unit. Note: uncertified workers may do the abatement work, but an EPA-certified supervisor <i>must</i> be on the work site <i>at all times</i>. <p>(e) Clearance: The LBP abatement work area must be cleared to assure it is safe for occupancy. An EPA-certified Risk Assessor or Clearance Technician must do the clearance.</p> <p>(f) Notification: Owners, occupants and prospective occupants or purchasers must be notified of the results of any lead hazard reduction work.</p> <p>(g) Ongoing LBP maintenance: The owners of the property are responsible for maintaining the lead-free environment. If, upon annual inspection, chipping, peeling or cracking paint is present, EPA-certified personnel must inspect and assess the lead risk in the unit; HUD-certified workers must stabilize the deteriorated paint; and an EPA-certified person must perform clearance testing.</p>
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* **NOTE:** Exhibits referred to in the LBP requirements maybe found in the current year HOME Administration Manual.

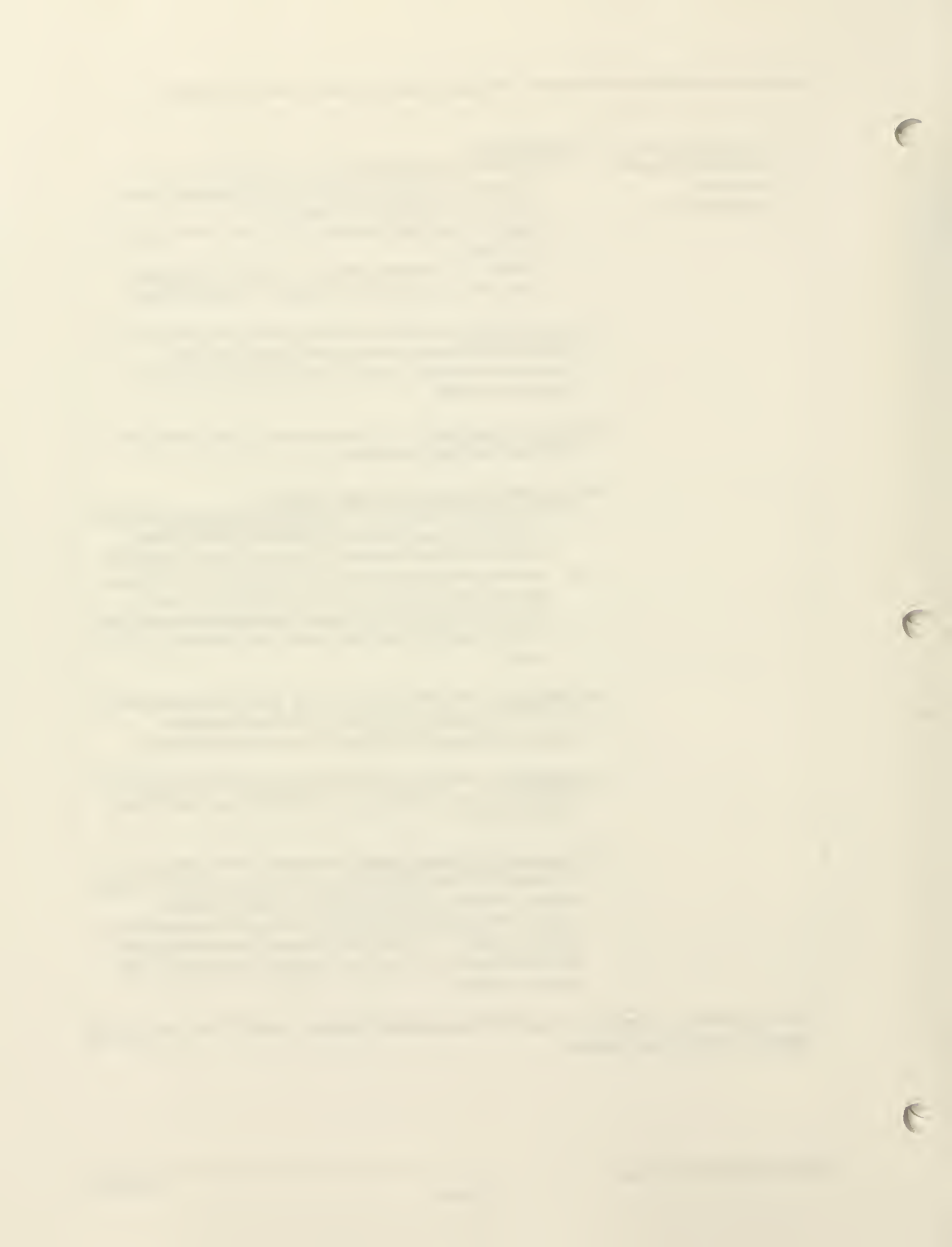


EXHIBIT 7

2002 HUD HOME Income Limits

		-----A D J U S T E D I N C O M E L I M I T S-----										
		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	9 PERSON	10 PERSON	
HUD HOME PROGRAM INCOME LIMITS (JAN 2002)												
STATE: MONTANA												
MSA	: Billings, MT											
	FY 2002 MEDIAN FAMILY	10200	11650	13100	14600	15750	16900	18100	19250			
	INCOME: 48600	17000	19450	21850	24300	26250	28200	30150	32100			
	30% LIMITS	20400	23340	26220	29160	31500	33840	36180	38520			
	VERY LOW-INCOME	27200	31100	35000	38900	42000	45100	48200	51300			
	60% LIMITS											
	LOW-INCOME											
MSA	: Great Falls, MT											
	FY 2002 MEDIAN FAMILY	8800	10050	11300	12550	13600	14600	15600	16600			
	INCOME: 41900	14650	16750	18850	20950	22650	24300	26000	27650			
	30% LIMITS	17580	20100	22620	25140	27180	29160	31200	33180			
	VERY LOW-INCOME	23450	26800	30150	33500	36200	38900	41550	44250			
	60% LIMITS											
	LOW-INCOME											
MSA	: Missoula, MT											
	FY 2002 MEDIAN FAMILY	9500	10850	12200	13550	14650	15750	16800	17900			
	INCOME: 45200	15800	18100	20350	22600	24400	26200	28000	29850			
	30% LIMITS	18960	21720	24420	27120	29280	31440	33600	35820			
	VERY LOW-INCOME	25300	28950	32550	36150	39050	41950	44850	47750			
	60% LIMITS											
	LOW-INCOME											
COUNTY	: BEAVERHEAD COUNTY											
	FY 2002 MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700			
	INCOME: 36000	13850	15850	17800	19800	21400	22950	24550	26150			
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380			
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800			
	60% LIMITS											
	LOW-INCOME											
COUNTY	: BIG HORN COUNTY											
	FY 2002 MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700			
	INCOME: 27300	13850	15850	17800	19800	21400	22950	24550	26150			
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380			
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800			
	60% LIMITS											
	LOW-INCOME											
COUNTY	: BLAINE COUNTY											
	FY 2002 MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700			
	INCOME: 32000	13850	15850	17800	19800	21400	22950	24550	26150			
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380			
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800			
	60% LIMITS											
	LOW-INCOME											
COUNTY	: BROADWATER COUNTY											
	FY 2002 MEDIAN FAMILY	8400	9600	10800	12000	12950	13900	14900	15850			
	INCOME: 40000	14000	16000	18000	20000	21600	23200	24800	26400			
	30% LIMITS	16800	19200	21600	24000	25920	27840	29760	31680			
	VERY LOW-INCOME	22400	25600	28800	32000	34550	37100	39700	42250			
	60% LIMITS											
	LOW-INCOME											
COUNTY	: CARBON COUNTY											
	FY 2002 MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700			
	INCOME: 35500	13850	15850	17800	19800	21400	22950	24550	26150			
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380			
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800			
	60% LIMITS											
	LOW-INCOME											

HUD HOME PROGRAM INCOME LIMITS (JAN 2002)

STATE: MONTANA
 -----A D J U S T E D I N C O M E L I M I T S-----
 1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON 7 PERSON 8+PERSON

COUNTY :	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8+PERSON
CARTER COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 28500	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
CHOUTEAU COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 38100	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
CUSTER COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 38400	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
DANIELS COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 38900	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
DAWSON COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 40900	30% LIMITS	8600	9800	11050	12250	13250	14250	15200	16200
	VERY LOW-INCOME	14300	16350	18400	20450	22100	23700	25350	27000
	60% LIMITS	17160	19620	22080	24540	26520	28440	30420	32400
	LOW-INCOME	22900	26200	29450	32700	35350	37950	40550	43200
DEER LODGE COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 38900	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
FALLON COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 40700	30% LIMITS	8550	9750	11000	12200	13200	14150	15150	16100
	VERY LOW-INCOME	14250	16300	18300	20350	22000	23600	25250	26850
	60% LIMITS	17100	19560	21960	24420	26400	28320	30300	32220
	LOW-INCOME	22800	26050	29300	32550	35150	37750	40350	43000
FERGUS COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 38400	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800

HUD HOME PROGRAM INCOME LIMITS (JAN 2002)
STATE: MONTANA

COUNTY	PROGRAM	-----A D J U S T E D I N C O M E L I M I T S-----							
		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8+PERSON
FLATHEAD COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 42800	30% LIMITS	9000	10250	11550	12850	13850	14900	15900	16950
	VERY LOW-INCOME	15000	17100	19250	21400	23100	24800	26550	28250
	60% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	LOW-INCOME	23950	27400	30800	34250	37000	39700	42450	45200
GALLATIN COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 45700	30% LIMITS	9600	10950	12350	13700	14800	15900	17000	18100
	VERY LOW-INCOME	16000	18300	20550	22850	24700	26500	28350	30150
	60% LIMITS	19200	21960	24660	27420	29640	31800	34020	36180
	LOW-INCOME	25600	29250	32900	36550	39500	42400	45350	48250
GARFIELD COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 32300	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
GLACIER COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 32000	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
GOLDEN VALLEY COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 26500	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
GRANITE COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 33700	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
HILL COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 45500	30% LIMITS	9550	10900	12300	13650	14750	15850	16950	18000
	VERY LOW-INCOME	15950	18200	20500	22750	24550	26400	28200	30050
	60% LIMITS	19140	21840	24600	27300	29460	31680	33840	36060
	LOW-INCOME	25500	29100	32750	36400	39300	42200	45150	48050
JEFFERSON COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 52600	30% LIMITS	11050	12600	14200	15800	17050	18300	19550	20850
	VERY LOW-INCOME	18400	21050	23650	26300	28400	30500	32600	34700
	60% LIMITS	22080	25260	28380	31560	34080	36600	39120	41640
	LOW-INCOME	29450	33650	37850	42100	45450	48800	52200	55550

STATE: MONTANA
 -----A D J U S T E D I N C O M E L I M I T S-----
 1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON 7 PERSON 8+PERSON

PROGRAM

COUNTY : JUDITH BASIN COUNTY

FY 2002 MEDIAN FAMILY INCOME: 37500
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : LAKE COUNTY

FY 2002 MEDIAN FAMILY INCOME: 34700
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : LEWIS AND CLARK COUNTY

FY 2002 MEDIAN FAMILY INCOME: 51000
 30% LIMITS 10700 12250 13750 15300 16500 17750 18950 20200
 VERY LOW-INCOME 17850 20400 22950 25500 27550 29600 31600 33650
 60% LIMITS 21420 24480 27540 30600 33060 35520 37920 40380
 LOW-INCOME 28550 32650 36700 40800 44050 47350 50600 53850

COUNTY : LIBERTY COUNTY

FY 2002 MEDIAN FAMILY INCOME: 43300
 30% LIMITS 9100 10400 11700 13000 14050 15050 16100 17150
 VERY LOW-INCOME 15150 17300 19500 21650 23400 25100 26850 28600
 60% LIMITS 18180 20760 23400 25980 28080 30120 32220 34320
 LOW-INCOME 24250 27700 31200 34650 37400 40200 42950 45700

COUNTY : LINCOLN COUNTY

FY 2002 MEDIAN FAMILY INCOME: 32200
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : MCCONE COUNTY

FY 2002 MEDIAN FAMILY INCOME: 35000
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : MADISON COUNTY

FY 2002 MEDIAN FAMILY INCOME: 36200
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : MEAGHER COUNTY

FY 2002 MEDIAN FAMILY INCOME: 34300
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

HUD HOME PROGRAM INCOME LIMITS (JAN 2002)

STATE: MONTANA

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-----A D J U S T E D I N C O M E L I M I T S-----
 1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON 7 PERSON 8+PERSON

PROGRAM

COUNTY : MINERAL COUNTY

FY 2002 MEDIAN FAMILY INCOME: 30600
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : MUSSELSHELL COUNTY

FY 2002 MEDIAN FAMILY INCOME: 27900
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : PARK COUNTY

FY 2002 MEDIAN FAMILY INCOME: 38400
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : PETROLEUM COUNTY

FY 2002 MEDIAN FAMILY INCOME: 26400
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : PHILLIPS COUNTY

FY 2002 MEDIAN FAMILY INCOME: 35000
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : PONDERA COUNTY

FY 2002 MEDIAN FAMILY INCOME: 39800
 30% LIMITS 8350 9550 10750 11950 12900 13850 14800 15750
 VERY LOW-INCOME 13950 15900 17900 19900 21500 23100 24700 26250
 60% LIMITS 16740 19080 21480 23880 25800 27720 29640 31500
 LOW-INCOME 22300 25450 28650 31850 34400 36950 39500 42050

COUNTY : POWDER RIVER COUNTY

FY 2002 MEDIAN FAMILY INCOME: 34200
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

COUNTY : POWELL COUNTY

FY 2002 MEDIAN FAMILY INCOME: 36800
 30% LIMITS 8300 9500 10700 11900 12850 13800 14750 15700
 VERY LOW-INCOME 13850 15850 17800 19800 21400 22950 24550 26150
 60% LIMITS 16620 19020 21360 23760 25680 27540 29460 31380
 LOW-INCOME 22200 25350 28500 31700 34200 36750 39300 41800

HUD HOME PROGRAM INCOME LIMITS (JAN 2002)

STATE: MONTANA

-----A D J U S T E D I N C O M E L I M I T S-----
 1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON 7 PERSON 8+PERSON

COUNTY	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8+PERSON
PRAIRIE COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 32600	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
RAVALLI COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 39800	30% LIMITS	8350	9550	10750	11950	12900	13850	14800	15750
	VERY LOW-INCOME	13950	15900	17900	19900	21500	23100	24700	26250
	60% LIMITS	16740	19080	21480	23880	25800	27720	29640	31500
	LOW-INCOME	22300	25450	28650	31850	34400	36950	39500	42050
RICHLAND COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 36000	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
ROOSEVELT COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 31000	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
ROSEBUD COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 44300	30% LIMITS	9300	10650	11950	13300	14350	15400	16500	17550
	VERY LOW-INCOME	15500	17700	19950	22150	23900	25700	27450	29250
	60% LIMITS	18600	21240	23940	26580	28680	30840	32940	35100
	LOW-INCOME	24800	28350	31900	35450	38250	41100	43950	46800
SANDERS COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 31200	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
SHERIDAN COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 36500	30% LIMITS	8300	9500	10700	11900	12850	13800	14750	15700
	VERY LOW-INCOME	13850	15850	17800	19800	21400	22950	24550	26150
	60% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
SILVER BOW COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 40800	30% LIMITS	8550	9800	11000	12250	13200	14200	15200	16150
	VERY LOW-INCOME	14300	16300	18350	20400	22050	23650	25300	26950
	60% LIMITS	17160	19560	22020	24480	26460	28380	30360	32340
	LOW-INCOME	22850	26100	29400	32650	35250	37850	40450	43100

HUD HOME PROGRAM INCOME LIMITS (JAN 2002)

STATE: MONTANA

PROGRAM

COUNTY :	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8+PERSON
-----A D J U S T E D I N C O M E L I M I T S-----									
COUNTY :	STILLWATER COUNTY								
FY 2002	MEDIAN FAMILY	10350	11850	13300	14800	15950	17150	18350	19500
INCOME:	49300	17250	19700	22200	24650	26600	28600	30550	32550
	30% LIMITS	20700	23640	26640	29580	31920	34320	36660	39060
	VERY LOW-INCOME	27600	31550	35500	39450	42600	45750	48900	52050
	60% LIMITS								
	LOW-INCOME								
COUNTY :	SWEET GRASS COUNTY								
FY 2002	MEDIAN FAMILY	9200	10550	11850	13150	14200	15300	16350	17400
INCOME:	43900	15350	17550	19750	21950	23700	25450	27200	28950
	30% LIMITS	18420	21060	23700	26340	28440	30540	32640	34740
	VERY LOW-INCOME	24600	28100	31600	35100	37950	40750	43550	46350
	60% LIMITS								
	LOW-INCOME								
COUNTY :	TETON COUNTY								
FY 2002	MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700
INCOME:	36600	13850	15850	17800	19800	21400	22950	24550	26150
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
	60% LIMITS								
	LOW-INCOME								
COUNTY :	TOOLE COUNTY								
FY 2002	MEDIAN FAMILY	9000	10250	11550	12850	13850	14900	15900	16950
INCOME:	42800	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	VERY LOW-INCOME	23950	27400	30800	34250	37000	39700	42450	45200
	60% LIMITS								
	LOW-INCOME								
COUNTY :	TREASURE COUNTY								
FY 2002	MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700
INCOME:	31300	13850	15850	17800	19800	21400	22950	24550	26150
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
	60% LIMITS								
	LOW-INCOME								
COUNTY :	VALLEY COUNTY								
FY 2002	MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700
INCOME:	38500	13850	15850	17800	19800	21400	22950	24550	26150
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
	60% LIMITS								
	LOW-INCOME								
COUNTY :	WHEATLAND COUNTY								
FY 2002	MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700
INCOME:	30400	13850	15850	17800	19800	21400	22950	24550	26150
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
	60% LIMITS								
	LOW-INCOME								
COUNTY :	WIBAUD COUNTY								
FY 2002	MEDIAN FAMILY	8300	9500	10700	11900	12850	13800	14750	15700
INCOME:	33200	13850	15850	17800	19800	21400	22950	24550	26150
	30% LIMITS	16620	19020	21360	23760	25680	27540	29460	31380
	VERY LOW-INCOME	22200	25350	28500	31700	34200	36750	39300	41800
	60% LIMITS								
	LOW-INCOME								

1. Introduction

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3. Methodology

4. Results

5. Discussion

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EXHIBIT 8

2002 HUD HOME Rent Limits

U.S. DEPARTMENT OF HUD
STATE : MONTANA

PROGRAM

----- JANUARY 2002 HOME P R O G R A M R E N T S -----
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

MSA : Billings, MT

LOW HOME RENT LIMIT	402	537	631	705	778	850
HIGH HOME RENT LIMIT	402	537	722	858	928	1000
FOR INFORMATION ONLY:						
FAIR MARKET RENT	402	537	722	876	1007	1138
50% RENT LIMIT	455	546	631	705	778	850
65% RENT LIMIT	571	689	787	858	928	1000

MSA : Great Falls, MT

LOW HOME RENT LIMIT	392	471	545	607	670	733
HIGH HOME RENT LIMIT	400	527	674	732	789	847
FOR INFORMATION ONLY:						
FAIR MARKET RENT	400	527	686	816	938	1060
50% RENT LIMIT	392	471	545	607	670	733
65% RENT LIMIT	490	590	674	732	789	847

MSA : Missoula, MT

LOW HOME RENT LIMIT	406	508	587	655	723	791
HIGH HOME RENT LIMIT	406	540	696	795	858	923
FOR INFORMATION ONLY:						
FAIR MARKET RENT	406	540	696	885	1017	1150
50% RENT LIMIT	423	508	587	655	723	791
65% RENT LIMIT	530	639	730	795	858	923

COUNTY : BEAVERHEAD COUNTY

LOW HOME RENT LIMIT	359	445	515	573	633	693
HIGH HOME RENT LIMIT	359	474	615	688	741	795
FOR INFORMATION ONLY:						
FAIR MARKET RENT	359	474	615	719	826	934
50% RENT LIMIT	371	445	515	573	633	693
65% RENT LIMIT	462	556	635	688	741	795

COUNTY : BIG HORN COUNTY

LOW HOME RENT LIMIT	359	445	515	573	633	693
HIGH HOME RENT LIMIT	359	474	615	688	741	795
FOR INFORMATION ONLY:						
FAIR MARKET RENT	359	474	615	719	826	934
50% RENT LIMIT	371	445	515	573	633	693
65% RENT LIMIT	462	556	635	688	741	795

COUNTY : BLAINE COUNTY

LOW HOME RENT LIMIT	359	445	515	573	633	693
HIGH HOME RENT LIMIT	359	474	615	688	741	795
FOR INFORMATION ONLY:						
FAIR MARKET RENT	359	474	615	719	826	934
50% RENT LIMIT	371	445	515	573	633	693
65% RENT LIMIT	462	556	635	688	741	795

PROGRAM
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : BROADWATER COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	359	450	520	580	640	700
311	359	474	615	696	749	804
311	359	474	615	766	880	995
350	375	450	520	580	640	700
435	467	563	642	696	749	804

COUNTY : CARBON COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

346	371	445	515	573	633	693
354	415	539	635	688	741	795
354	415	539	701	818	940	1063
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : CARTER COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	371	445	515	573	633	693
311	381	474	615	688	741	795
311	381	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : CHOUTEAU COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	359	445	515	573	633	693
311	359	474	615	688	741	795
311	359	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : CUSTER COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	359	445	515	573	633	693
311	359	474	615	688	741	795
311	359	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : DANIELS COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	371	445	515	573	633	693
311	381	474	615	688	741	795
311	381	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

PROGRAM
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : DAWSON COUNTY
 LOW HOME RENT LIMIT 311 359 460 531 592 654 715
 HIGH HOME RENT LIMIT 311 359 474 615 713 768 825
 FOR INFORMATION ONLY:
 FAIR MARKET RENT 311 359 474 615 719 826 934
 50% RENT LIMIT 357 383 460 531 592 654 715
 65% RENT LIMIT 445 478 576 657 713 768 825

COUNTY : DEER LODGE COUNTY
 LOW HOME RENT LIMIT 311 359 445 515 573 633 693
 HIGH HOME RENT LIMIT 311 359 474 615 688 741 795
 FOR INFORMATION ONLY:
 FAIR MARKET RENT 311 359 474 615 719 826 934
 50% RENT LIMIT 346 371 445 515 573 633 693
 65% RENT LIMIT 430 462 556 635 688 741 795

COUNTY : FALLON COUNTY
 LOW HOME RENT LIMIT 311 359 457 529 590 651 712
 HIGH HOME RENT LIMIT 311 359 474 615 710 764 819
 FOR INFORMATION ONLY:
 FAIR MARKET RENT 311 359 474 615 719 826 934
 50% RENT LIMIT 356 381 457 529 590 651 712
 65% RENT LIMIT 442 475 573 653 710 764 819

COUNTY : FERGUS COUNTY
 LOW HOME RENT LIMIT 311 359 445 515 573 633 693
 HIGH HOME RENT LIMIT 311 359 474 615 688 741 795
 FOR INFORMATION ONLY:
 FAIR MARKET RENT 311 359 474 615 719 826 934
 50% RENT LIMIT 346 371 445 515 573 633 693
 65% RENT LIMIT 430 462 556 635 688 741 795

COUNTY : FLATHEAD COUNTY
 LOW HOME RENT LIMIT 311 360 481 556 620 685 749
 HIGH HOME RENT LIMIT 311 360 481 671 748 808 867
 FOR INFORMATION ONLY:
 FAIR MARKET RENT 311 360 481 671 790 908 1026
 50% RENT LIMIT 375 401 481 556 620 685 749
 65% RENT LIMIT 466 501 604 689 748 808 867

COUNTY : GALLATIN COUNTY
 LOW HOME RENT LIMIT 383 428 513 594 662 731 799
 HIGH HOME RENT LIMIT 383 447 599 738 803 868 933
 FOR INFORMATION ONLY:
 FAIR MARKET RENT 383 447 599 769 983 1130 1277
 50% RENT LIMIT 400 428 513 594 662 731 799
 65% RENT LIMIT 500 536 646 738 803 868 933

PROGRAM		EFFICIENCY					
		1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
COUNTY : GARFIELD COUNTY							
	LOW HOME RENT LIMIT	311	359	445	515	573	633
	HIGH HOME RENT LIMIT	311	359	474	615	688	741
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	311	359	474	615	719	826
	50% RENT LIMIT	346	371	445	515	573	633
	65% RENT LIMIT	430	462	556	635	688	741
COUNTY : GLACIER COUNTY							
	LOW HOME RENT LIMIT	311	359	445	515	573	633
	HIGH HOME RENT LIMIT	311	359	474	615	688	741
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	311	359	474	615	719	826
	50% RENT LIMIT	346	371	445	515	573	633
	65% RENT LIMIT	430	462	556	635	688	741
COUNTY : GOLDEN VALLEY COUNTY							
	LOW HOME RENT LIMIT	311	371	445	515	573	633
	HIGH HOME RENT LIMIT	311	379	474	615	688	741
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	311	379	474	615	719	826
	50% RENT LIMIT	346	371	445	515	573	633
	65% RENT LIMIT	430	462	556	635	688	741
COUNTY : GRANITE COUNTY							
	LOW HOME RENT LIMIT	311	359	445	515	573	633
	HIGH HOME RENT LIMIT	311	359	474	615	688	741
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	311	359	474	615	719	826
	50% RENT LIMIT	346	371	445	515	573	633
	65% RENT LIMIT	430	462	556	635	688	741
COUNTY : HILL COUNTY							
	LOW HOME RENT LIMIT	321	359	474	591	660	728
	HIGH HOME RENT LIMIT	321	359	474	615	719	826
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	321	359	474	615	719	826
	50% RENT LIMIT	398	426	512	591	660	728
	65% RENT LIMIT	497	534	643	734	800	864
COUNTY : JEFFERSON COUNTY							
	LOW HOME RENT LIMIT	328	359	474	615	719	826
	HIGH HOME RENT LIMIT	328	359	474	615	719	826
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	328	359	474	615	719	826
	50% RENT LIMIT	460	493	591	683	762	841
	65% RENT LIMIT	578	621	746	854	933	1012

PROGRAM
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : JUDITH BASIN COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 371 445 515 573 633 693
311 381 474 615 688 741 795
311 381 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

COUNTY : LAKE COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

338 359 445 515 573 633 693
338 359 474 615 688 741 795
338 359 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

COUNTY : LEWIS AND CLARK COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

345 404 538 663 740 815 892
345 404 538 748 885 978 1054
345 404 538 748 885 1017 1150
446 478 573 663 740 815 892
560 601 724 827 903 978 1054

COUNTY : LIBERTY COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 359 474 563 627 693 757
311 359 474 615 719 818 879
311 359 474 615 719 826 934
378 405 487 563 627 693 757
472 507 611 697 758 818 879

COUNTY : LINCOLN COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

338 359 445 515 573 633 693
338 359 474 615 688 741 795
338 359 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

COUNTY : MCCONE COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 371 445 515 573 633 693
311 378 474 615 688 741 795
311 378 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

PROGRAM
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : MADISON COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

317	359	445	515	573	633	693
317	359	474	615	688	741	795
317	359	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : MEAGHER COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	371	445	515	573	633	693
311	381	474	615	688	741	795
311	381	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : MINERAL COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	359	445	515	573	633	693
311	359	474	615	688	741	795
311	359	474	615	734	844	954
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : MUSSELSHELL COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

316	359	445	515	573	633	693
316	359	474	615	688	741	795
316	359	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : PARK COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	359	445	515	573	633	693
311	359	474	615	688	741	795
311	359	474	615	727	836	945
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : PETROLEUM COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	359	445	515	573	633	693
311	359	474	615	688	741	795
311	359	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

PROGRAM
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : PHILLIPS COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 359 445 515 573 633 693
311 359 474 615 688 741 795
311 359 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

COUNTY : PONDERA COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 373 447 517 577 636 696
311 379 474 615 692 746 798
311 379 474 615 719 826 934
348 373 447 517 577 636 696
432 465 560 638 692 746 798

COUNTY : POWDER RIVER COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 364 445 515 573 633 693
311 364 474 615 688 741 795
311 364 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

COUNTY : POWELL COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

316 359 445 515 573 633 693
316 359 474 615 688 741 795
316 359 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

COUNTY : PRAIRIE COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 359 445 515 573 633 693
311 359 474 615 688 741 795
311 359 474 615 719 826 934
346 371 445 515 573 633 693
430 462 556 635 688 741 795

COUNTY : RAVALLI COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311 359 447 517 577 636 696
311 359 474 615 692 746 798
311 359 474 615 719 826 934
348 373 447 517 577 636 696
432 465 560 638 692 746 798

PROGRAM
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : RICHLAND COUNTY										
LOW HOME RENT LIMIT	311	371	445	515	573	633	693			
HIGH HOME RENT LIMIT	311	388	474	615	688	741	795			
FOR INFORMATION ONLY:										
FAIR MARKET RENT	311	388	474	615	719	826	934			
50% RENT LIMIT	346	371	445	515	573	633	693			
65% RENT LIMIT	430	462	556	635	688	741	795			
COUNTY : ROOSEVELT COUNTY										
LOW HOME RENT LIMIT	325	359	445	515	573	633	693			
HIGH HOME RENT LIMIT	325	359	474	615	688	741	795			
FOR INFORMATION ONLY:										
FAIR MARKET RENT	325	359	474	615	719	826	934			
50% RENT LIMIT	346	371	445	515	573	633	693			
65% RENT LIMIT	430	462	556	635	688	741	795			
COUNTY : ROSEBUD COUNTY										
LOW HOME RENT LIMIT	311	359	474	575	642	708	775			
HIGH HOME RENT LIMIT	311	359	474	615	719	826	902			
FOR INFORMATION ONLY:										
FAIR MARKET RENT	311	359	474	615	719	826	934			
50% RENT LIMIT	387	415	498	575	642	708	775			
65% RENT LIMIT	483	520	625	714	777	839	902			
COUNTY : SANDERS COUNTY										
LOW HOME RENT LIMIT	311	359	445	515	573	633	693			
HIGH HOME RENT LIMIT	311	359	474	615	688	741	795			
FOR INFORMATION ONLY:										
FAIR MARKET RENT	311	359	474	615	719	826	934			
50% RENT LIMIT	346	371	445	515	573	633	693			
65% RENT LIMIT	430	462	556	635	688	741	795			
COUNTY : SHERIDAN COUNTY										
LOW HOME RENT LIMIT	320	359	445	515	573	633	693			
HIGH HOME RENT LIMIT	320	359	474	615	688	741	795			
FOR INFORMATION ONLY:										
FAIR MARKET RENT	320	359	474	615	719	826	934			
50% RENT LIMIT	346	371	445	515	573	633	693			
65% RENT LIMIT	430	462	556	635	688	741	795			
COUNTY : SILVER BOW COUNTY										
LOW HOME RENT LIMIT	311	359	458	530	591	653	714			
HIGH HOME RENT LIMIT	311	359	474	615	711	766	821			
FOR INFORMATION ONLY:										
FAIR MARKET RENT	311	359	474	615	719	826	934			
50% RENT LIMIT	357	382	458	530	591	653	714			
65% RENT LIMIT	443	476	574	655	711	766	821			

PROGRAM

EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : STILLWATER COUNTY									
LOW HOME RENT LIMIT	317	359	474	615	715	788	862		
HIGH HOME RENT LIMIT	317	359	474	615	719	826	934		
FOR INFORMATION ONLY:									
FAIR MARKET RENT	317	359	474	615	719	826	934		
50% RENT LIMIT	431	461	555	640	715	788	862		
65% RENT LIMIT	541	581	699	799	871	943	1015		
COUNTY : SWEET GRASS COUNTY									
LOW HOME RENT LIMIT	335	359	474	570	636	701	768		
HIGH HOME RENT LIMIT	335	359	474	615	719	826	893		
FOR INFORMATION ONLY:									
FAIR MARKET RENT	335	359	474	615	719	826	934		
50% RENT LIMIT	383	411	493	570	636	701	768		
65% RENT LIMIT	478	515	620	707	770	831	893		
COUNTY : TETON COUNTY									
LOW HOME RENT LIMIT	311	359	445	515	573	633	693		
HIGH HOME RENT LIMIT	311	359	474	615	688	741	795		
FOR INFORMATION ONLY:									
FAIR MARKET RENT	311	359	474	615	719	826	934		
50% RENT LIMIT	346	371	445	515	573	633	693		
65% RENT LIMIT	430	462	556	635	688	741	795		
COUNTY : TOOLE COUNTY									
LOW HOME RENT LIMIT	317	359	474	556	620	685	749		
HIGH HOME RENT LIMIT	317	359	474	615	719	808	867		
FOR INFORMATION ONLY:									
FAIR MARKET RENT	317	359	474	615	719	826	934		
50% RENT LIMIT	375	401	481	556	620	685	749		
65% RENT LIMIT	466	501	604	689	748	808	867		
COUNTY : TREASURE COUNTY									
LOW HOME RENT LIMIT	311	359	445	515	573	633	693		
HIGH HOME RENT LIMIT	311	359	474	615	688	741	795		
FOR INFORMATION ONLY:									
FAIR MARKET RENT	311	359	474	615	719	826	934		
50% RENT LIMIT	346	371	445	515	573	633	693		
65% RENT LIMIT	430	462	556	635	688	741	795		
COUNTY : VALLEY COUNTY									
LOW HOME RENT LIMIT	311	359	445	515	573	633	693		
HIGH HOME RENT LIMIT	311	359	474	615	688	741	795		
FOR INFORMATION ONLY:									
FAIR MARKET RENT	311	359	474	615	719	826	934		
50% RENT LIMIT	346	371	445	515	573	633	693		
65% RENT LIMIT	430	462	556	635	688	741	795		

PROGRAM
EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM

COUNTY : WHEATLAND COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	359	445	515	573	633	693
311	359	474	615	688	741	795
311	359	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

COUNTY : WIBAUX COUNTY

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
FOR INFORMATION ONLY:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

311	371	445	515	573	633	693
311	381	474	615	688	741	795
311	381	474	615	719	826	934
346	371	445	515	573	633	693
430	462	556	635	688	741	795

EXHIBIT 9

HOME PROGRAM 221 (d)(3) SUBSIDY LIMITS

(APPLIES TO ALL RENTAL PROJECTS -- NEW CONSTRUCTION AND REHABILITATION)

EFFICIENCY SUBSIDY LIMIT	\$69,915
1 BEDROOM SUBSIDY LIMIT	\$80,144
2 BEDROOM SUBSIDY LIMIT	\$97,454
3 BEDROOM SUBSIDY LIMIT	\$126,073
4+ BEDROOM SUBSIDY LIMIT	\$138,389

Calculations as of December 2001

FHA 203(b) MAXIMUM MORTGAGE LIMITS FOR MONTANA HOMEBUYER/HOMEOWNER PROGRAMS

- Homebuyer Activities (Acquisition): The purchase price and appraised value must not exceed the FHA 203(b) Maximum Mortgage Limits for Montana.
- Homeowner Rehabilitation: The after rehabilitation value must not exceed the FHA 203(b) Mortgage Limits for Montana.

Per FHA 203 (b) (December 20, 2001)

* 1-UNIT	\$132,000
2-UNIT	\$168,936
3-UNIT	\$204,192
4-UNIT	\$253,776

This table is already calculated at 95% of area median purchase price.

The number of bedrooms in the unit does not matter.

* Can be used for townhouses and condominiums if land is included and they are appraised separately.

MEMORANDUM

TO : [Illegible]

FROM : [Illegible]

SUBJECT : [Illegible]

[Illegible text block]

[Illegible text block]

EXHIBIT 10

SROs AND GROUP HOMES COMPARED

CATEGORY	SRO	GROUP HOME
Description	Single-room (multiple) dwelling units: <ul style="list-style-type: none"> ➤ New construction or reconstruction <ul style="list-style-type: none"> ◦ either sanitary facilities and/or food preparation area in the unit ➤ Acquisition or rehabilitation <ul style="list-style-type: none"> ◦ not required to have sanitary and food preparation areas ➤ May have common facilities ➤ NOT student housing. 	<ul style="list-style-type: none"> ➤ One unit <ul style="list-style-type: none"> ◦ separate bedroom(s) ◦ shared living, kitchen, dining, and/or sanitary facilities ➤ Occupied by two or more single persons or families ➤ NOT student housing.
Maximum Subsidy	<ul style="list-style-type: none"> ➤ Based on zero-bedroom unit subsidy limit times number of HOME-assisted units ➤ Common area costs prorated based on percent of HOME-assisted units 	<ul style="list-style-type: none"> ➤ Based on number of bedrooms <ul style="list-style-type: none"> ◦ <u>includes bedrooms for caretakers</u>
Targeting	<ul style="list-style-type: none"> ➤ All tenants of HOME-assisted units must be low- or very-low-income 	<ul style="list-style-type: none"> ➤ All tenants must be low-income <ul style="list-style-type: none"> ◦ <u>excludes live-in service providers</u>
Rents	<ul style="list-style-type: none"> ➤ No food preparation or sanitary facilities, or only one, in the unit: <ul style="list-style-type: none"> ◦ rent may not exceed 75% of the FMR for a zero-bedroom unit ◦ the "lesser of" rule comparing the FMR to 30% of 65% of AMI does not apply ◦ low HOME rent does not apply ➤ Food and sanitary facilities in the unit: <ul style="list-style-type: none"> ◦ High and Low HOME rents apply ◦ <u>Projects with 5 or more units:</u> <ul style="list-style-type: none"> ▪ 20% of the units should have Low HOME rents <ul style="list-style-type: none"> ▪ Low HOME rents are defined for SROs as not more than 30% of the occupant's monthly adjusted income, or ▪ not more than 30% of the gross income of a family at 50% of the area median income, adjusted for family size ▪ High HOME rents apply to all other units 	<ul style="list-style-type: none"> ➤ Maximum rent based on appropriate number of bedrooms <ul style="list-style-type: none"> ◦ <u>excludes rooms occupied by live-in service providers</u> ➤ Each household pays proportionate share of rent ➤ No Low HOME rent requirement
Tenancy	Permanent & transitional housing	Permanent & transitional housing

SRO AND GROUP HOME EXAMPLE

- Five-unit SRO located in Helena. Each unit has its own kitchen and sanitary facilities. Assume all units will be occupied by one- and two-person very low-income households. All units will be rented at the low HOME rent.
- Five bedroom group home located in Helena. Assume each bedroom will be occupied by one very low-income person.

	5-UNIT SRO	5-BEDROOM GROUP HOME
NUMBER OF UNITS	5	1
MAXIMUM SUBSIDY	\$349,575 (\$69,915 X 5 units)	\$138,389
TOTAL RENT	\$1,725/mo (\$345/units X 5 units)	\$978/mo
INCOME LIMITS	1 person household: \$10,700/yr 2 person household: \$12,250/yr	\$10,700/year/person

U.S. DEPARTMENT OF HUD
STATE: MONTANA

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---- JANUARY 2002 HOME PROGRAM RENTS ----

	EFFICIENCY	1-BDRM	2-BDRM	3-BDRM	4-BDRM	5-BDRM	6-BDRM
LEWIS AND CLARK COUNTY							
LOW HOME RENT LIMIT	345	404	538	663	740	815	892
HIGH HOME RENT LIMIT	345	404	538	748	885	978	1054
FOR INFORMATION ONLY:							
FAIR MARKET RENT	345	404	538	748	885	1017	1150
50% RENT LIMIT	446	478	573	663	740	815	892
65% RENT LIMIT	560	601	724	827	903	978	1054

HUD HOME PROGRAM INCOME LIMITS (JAN 2002)
STATE: MONTANA

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		ADJUSTED INCOME LIMITS							
Household Size→		1	2	3	4	5	6	7	8+
LEWIS AND CLARK COUNTY									
FY 2002 MEDIAN FAMILY INCOME: 51000	30% LIMITS	10700	12250	13750	15300	16500	17750	18950	20200
	VERY LOW-INCOME	17850	20400	22950	25500	27550	29600	31600	33650
	60% LIMITS	21420	24480	27540	30600	33060	35520	37920	40380
	LOW-INCOME	28550	32650	36700	40800	44050	47350	50600	53850

EXHIBIT 11

PROHIBITED LEASE TERMS

A lease may **NOT** contain any of the following provisions:

1. **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt or to a judgement in favor of the owner in a lawsuit brought in connection with the lease;
2. **Treatment of property.** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit. The owner may dispose of this personal property in accordance with state law;
3. **Excusing owner from responsibility.** Agreement by the tenant not to hold the owner or owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. **Waiver of notice.** Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. **Waiver of Legal Proceedings.** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties;
6. **Waiver of a jury trial.** Agreement by the tenant to waive any right to a trial by jury;
7. **Waiver of right to appeal court decision.** Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
8. **Tenant chargeable with cost of legal actions regardless of outcome.** Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

EXHIBIT 12

TENANT SELECTION CRITERIA

An owner must adopt written tenant selection policies and criteria that include as a minimum the following:

1. Policies and criteria which are consistent with the purpose of providing housing for very low income and low income families;
2. That are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
3. That give reasonable consideration to the housing needs of families that would have a Federal preference under Section 6(c)(4)(A) of the 1937 Housing Act;
4. That provide for the applicant selection from a written waiting list in the chronological order of their application, insofar as is possible; and
5. That provide for the prompt written notification to any rejected applicant of the grounds for any such rejection.

EXHIBIT 13

ORDER OF APPLICATION

1. Uniform Application
2. Resolution to Authorize Submission of Application and Agreement to Certifications (with original signature)
3. Minimum Threshold Requirements
4. Planning, Needs Identification, and Project Design
5. Financial Management
6. Capacity Determination
7. Program Management
8. Management Plan
9. Exhibits
 - a. Exhibits supporting Uniform Application
 - b. Exhibits supporting Minimum Threshold Requirements
 - c. Exhibits supporting Planning, Needs Identification, and Project Design
 - d. Exhibits supporting Financial Management
 - e. Exhibits supporting Capacity Determination
 - f. Exhibits supporting Program Management

EXHIBIT 14

RESOLUTION TO AUTHORIZE SUBMISSION OF APPLICATION

and

AGREEMENT TO CERTIFICATIONS FOR APPLICATION

for

MONTANA DEPARTMENT OF COMMERCE
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

This resolution authorizes the submission of the Uniform Housing Application to the Montana Department of Commerce for a HOME Investment Partnership Program Grant by the Name of applicant for the purpose of receiving funds to (describe purpose of project);

The (Name of applicant) certifies that it has disclosed all forms of governmental assistance requested or provided for this project in the Sources of Funds Statement. If additional governmental assistance is sought in the future, the HOME Program shall be notified promptly.

If selected for funding, the (Name of applicant) agrees to comply with the HOME Program requirements, regulations, statutes, terms and conditions described in the HOME Certifications for Application found within the FFY2001 HOME Application Guidelines; and

That (name of Chief Elected Official, or Chief Executive Officer), (title) is authorized to submit this application to the Montana Department of Commerce, on behalf of the (Name of applicant) to act on behalf of the applicant and to provide such additional information as may be required.

Original Signature of Chief Elected Official or Executive Officer

Date

Typed or Printed Name

Title

Attested: _____

CERTIFICATIONS FOR APPLICATION

Each applicant must agree to comply with all applicable State and Federal laws and regulations in implementing their proposed HOME project.

Listed in the following Certifications for Application are the most important Federal regulations that apply to projects using HOME funds. They cover a wide range of issues including environmental impacts, labor standards, employment practices, financial procedures, and civil rights, many of which can affect the costs or complexity of project implementation. Each Federal law or regulation is annotated to give the applicant a general understanding of the requirements that must be met. This is a brief summary, and not intended to be a comprehensive description of each law. Local officials who have any questions or concerns regarding the applicability of these requirements should contact the HOME Program for guidance.

MONTANA DEPARTMENT OF COMMERCE MONTANA HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

The applicant hereby certifies that:

ACCEPTANCE OF HOME PROGRAM REQUIREMENTS

It will comply with all applicable parts of the National Affordable Housing Act of 1990, which have not been cited herein, as well as with other applicable Federal laws and regulations.

It will comply with all requirements established by the Department of Commerce and applicable State laws, regulations, and administrative procedures.

It accepts the terms, conditions, selection criteria, and procedures established by the Montana HOME Investment Partnerships Program (HOME) and expressly waives any statutory or common law right it may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that it is not selected for an award of HOME funds.

ACQUISITION, DISPLACEMENT AND RELOCATION

It will minimize displacement as a result of activities assisted with HOME funds and assist persons actually displaced.

It will comply with The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (The Uniform Act - URA), 42 U.S.C. 4201-4655, as amended (including Section 104(d) the Barney Frank Amendment), and the implementing regulations in 49 CFR, Part 24 and 24 CFR Part 42. These laws and accompanying regulations require the grantee to provide relocation payments and offer relocation

assistance to all persons displaced as a result of an activity assisted under the HOME Program. Such payments and assistance must be provided in a fair, consistent and equitable manner that ensures that the relocation process does not result in a different or separate treatment of such persons on account of race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children). The grantee must assure that, within a reasonable period of time prior to displacement, decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals, and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children); that such individuals or families are reimbursed for all reasonable out-of-pocket expenses incurred in connection with the relocation; and that appropriate advisory services are made available to such displaced persons; and

It will adopt a formal resolution that outlines in detail the specific policies and procedures it will follow in conforming to the laws and regulations relating to acquisition, displacement and relocation. This resolution must include, at a minimum, the requirements set forth in the Anti-displacement and Relocation Assistance Plan adopted by the Montana Department of Commerce for the Montana HOME Program.

PROPERTY STANDARDS

Since HOME funded properties must meet certain minimum property standards, it will comply with applicable property standards:

State and local standards: State and local codes and ordinances apply to any HOME-funded project regardless of whether the project involves acquisition, rehabilitation or new construction.

Model codes: For rehabilitation or new construction projects where there are not State or local building codes, the applicant must enforce the national model codes as detailed in the HOME Guidelines.

Housing quality standards: For acquisition-only projects, if there are no State or local codes or standards, the applicant must enforce Section 8 Housing Quality Standards (HQS). All housing occupied by tenants receiving tenant-based rental assistance must meet Section 8 HQS.

Rehabilitation Standards: Each applicant must develop written rehabilitation standards to apply to all HOME-funded rehabilitation work. These standards are similar to work specifications and generally describe the methods and materials to be used when performing rehabilitation activities.

Model Energy Code: New construction requires compliance with the Model Energy Code.

Handicapped accessibility: In some cases, handicapped accessibility requirements apply. See the HOME Application Guidelines, Management Plan Outlines for specifics.

Site and neighborhood standards: For new construction of rental housing, an applicant must meet the site and neighborhood standards of 24 CFR 983.6(b), which places

limiting conditions on building in areas of "minority concentration" and "racially mixed" areas.

Construction and safety standards: All new manufactured housing must meet the construction and safety standards of 24 CFR 3280. New manufactured housing must be installed according to State or local codes or the manufacturer's written instructions.

CITIZEN PARTICIPATION

It will comply with the instructions in the HOME Application Guidelines with regard to citizen participation.

NON DISCRIMINATION AND EQUAL ACCESS

FAIR HOUSING AND EQUAL OPPORTUNITY

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), as amended, and the regulations issued pursuant thereto (24 CFR, Part 1), which states that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving Federal financial assistance on the basis of race, color or national origin. Applicant will immediately take any measures necessary to effect this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for any other purpose involving the provision of similar services or benefits.

It will comply with The Fair Housing Act (42 U.S.C. 3601-3620) its the implementing regulations (24 CFR Part 100-115), and the Montana Human Rights Act (49-2-305, MCA) which prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, age, marital status, national origin, handicap or familial status.

Per Section 104(b)(2) of the Fair Housing Act, it will administer programs and activities relating to housing in a manner that affirmatively furthers fair housing.

It will comply with Equal Opportunity in Housing Executive Order 11063 as amended by Executive Order 12259 and the implementing regulations found in 24 CFR Part 107 which prohibits discrimination against individuals on the basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds.

It will comply with the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101) and its implementing regulations (24 CFR Part 146) which prohibit age discrimination in programs receiving Federal financial assistance.

AFFIRMATIVE MARKETING

It will adopt affirmative marketing procedures for HOME assisted housing in accordance with 24 CFR 92.351. These procedures will be designed to actively provide information and other means to attract eligible persons from all racial, ethnic, and gender groups to the available housing. These procedures must include methods for informing the public, owners, and potential tenants which will incorporate the use of Equal Housing Opportunity logotype and slogans in press releases and other communications, and specific efforts to inform and solicit applications from persons not likely to apply for the housing without special outreach.

It will maintain such records as necessary to allow HOME officials to annually assess the affirmative marketing program in order to determine the success of affirmative marketing actions and require any necessary corrective actions.

ACCESSIBILITY

It will comply with:

Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) which provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services and telecommunications. The Act also states that discrimination includes the failure to design and construct facilities that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

Fair Housing Act: Multi-family dwellings must also meet the design and construction requirements of 24 CFR 100.205 which implement the Fair Housing Act (42 U.S.C. 3601-19)

Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination in Federally assisted programs on the basis of handicap. Section 504 imposes requirements to ensure that "qualified individuals with handicaps" have access to programs and activities that receive Federal funds. These requirements fall under four general headings: physical barriers, program accessibility, employment accessibility and administrative.

CONSOLIDATED PLAN

It will ensure that its Equal Opportunity and Fair Housing policies for the HOME project are consistent with the current State of Montana Consolidated Plan.

EMPLOYMENT AND CONTRACTING

It will comply with:

Equal Employment Opportunity, Executive Order 11246, as amended, and its implementing regulations (41 CFR Part 60) which prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. Provisions to effect this prohibition must be included in all construction contracts exceeding \$10,000.

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and its implementing regulations (24 CFR, Part 135) which require that, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, opportunities for training and employment be given to lower-income persons residing within the program service area. The Act also requires that, to the greatest extent feasible, contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned by, persons residing in the program service area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3.

Minority/Women's Business Enterprise--Executive Orders 11625, 12432, and 12138, which require that concerted efforts be made to encourage the use of minority and women's business enterprises in connection with HOME-funded activities. The grantee must make concerted efforts to include, to the maximum extent possible, minorities and women, and entities owned by minorities and women, including, but not limited to, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services in the procurement of property and services connected with HOME project activities.

DRUG FREE WORKPLACE

It will ensure that it will adopt a policy to provide a drug free workplace.

FINANCIAL MANAGEMENT

It will comply with the applicable requirements of:

OMB Circular A-87, Cost Principles for State and Local Governments.

OMB Circular 122, Cost Principles for Non-Profit Organizations.

Administrative Requirements for Grant and Cooperative Agreements to State, Local, and Federally-Recognized Indian Tribal Governments (24 CFR, Part 85), or Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (24 CFR Part 84). The HUD Administrative Requirements are the basis for a number of specific requirements on the financial management and record keeping of HOME funds. The requirements primarily apply to cash depositories, bonding and insurance, record keeping, program income, property management, procurement, closeout, audit.

The Single Audit Act of 1984, as amended, which establishes criteria for determining the scope and content of audits and with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

It will promptly refund to the Montana Department of Commerce any HOME funds determined by an audit to have been spent in an unauthorized or improper manner or for ineligible activities.

It will give the Montana Department of Commerce, HUD, the Comptroller General, and the Montana Legislative Auditor, through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.

LABOR REQUIREMENTS

It will comply with:

Copeland (Anti-Kickback) Act (40 U.S.C. 276c) which governs the allowable deductions from paychecks. The Act makes it a criminal offense to induce anyone employed on a Federally assisted project to relinquish any compensation to which he/she is entitled, and requires all contractors to submit weekly payrolls and statements of compliance.

Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201, et seq.) which establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work and establishes child labor standards.

For every contract for construction of housing (rehabilitation or new) that contains 12 or more HOME assisted units, it will comply with:

Davis-Bacon and Related Acts (40 U.S.C. 276(A)-7) which ensure that mechanics and laborers employed in construction work under Federally-assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work is performed.

Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333) which provides that mechanics and laborers employed on Federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week and provides for the payment of liquidated damages where violations occur. The Act also addresses safe and healthy working conditions.

CONTRACTING AND PROCUREMENT

It will comply with all applicable procurement standards detailed in the appropriate year's HOME Administration Manual, including general procurement requirements, procurement of services, procurement by small purchase procedure and construction bidding and contracting.

It will not award or use HOME funds to directly or indirectly employ, award contracts to or otherwise engage the services of any contractor during any period of debarment, suspension or placement of ineligibility status.

It will require that all participants in lower-tier transactions (i.e., subcontractors) will comply with all requirements contained in 24 CFR Part 24, which requires such parties to certify that they are not debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from the covered transaction.

LEGAL AUTHORITY

It possesses legal authority to apply for the grant and to execute the proposed project under Montana law and, if selected to receive a HOME Investment Partnership Program Grant, will make all efforts necessary to assure timely and effective implementation of the project activities described in the attached application.

LOBBYING

It certifies that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

POLITICAL ACTIVITY

It will comply with the Hatch Act (5 U.S.C. 1501, et seq.; 5 CFR Part 151) which restricts the political activity of individuals principally employed by a State or local agency in connection with a program financed in whole or in part by Federal loans or grants. An affected employee may not be a candidate for public office in a partisan election.

CONFLICT OF INTEREST

It will comply with the provisions of 24 CFR 570.611 and with sections 2-2-125, 2-2-201, 7-3-4367, 7-5-2106, and 7-5-4109, MCA (as applicable) regarding the code of ethics and the avoidance of conflict of interest. If a person is an employee, agent, consultant, officer, elected official or appointed official or is a State recipient or subrecipient of HOME funds and has HOME-related responsibilities or access to inside information, that person may not obtain a financial benefit or interest from any HOME activity for themselves or those with whom they have family or business ties during their tenure or for one year thereafter.

ENVIRONMENTAL REQUIREMENTS

AIR QUALITY

It will comply with the Clean Air Act (42 U.S.C. 7401, et seq.) which prohibits engaging in, supporting in any way or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards.

ENVIRONMENTAL IMPACT

It will comply with:

Subpart H of the National Affordable Housing Act of 1990 with regard to the environmental impact of HOME-funded activities (24 CFR, Part 92, Section 92.352.) This section expresses the intent that "the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act be most effectively implemented in connection with the expenditure of funds under" the Act. Such other provisions of law which further the purpose of the National Environmental Policy Act of 1969 are specified in regulations issued pursuant to Section 104(f) of the Act and contained in 24 CFR, Part 58; and

The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et seq. and 24 CFR, Part 58). The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety or other undesirable and unintended consequences. Environmental review procedures are a necessary part of this process. These requirements are substantially the same as those for the Rental Rehabilitation Program, except that reviews for new construction and substantial rehabilitation activities may require substantially more detail. Pursuant to these provisions, the grantee must also submit environmental certifications to the

Department of Commerce when requesting that funds be released for the project. The grantee must certify that the proposed project will not significantly impact the environmental regulations and that it has fulfilled its obligations to give public notice of the funding request, environmental findings and compliance performance. Special issues relating to environmental responsibility for HOME projects include:

Guidelines concerning floodplains and wetlands in new construction (see related section in this document).

All requirements outlined in 24 CFR, Part 35, which contains the regulations implementing the Lead-Based Paint Poisoning Prevention Act; as well as the new guidelines prepared by HUD to address such new issues as control and clean-up of lead dust and lead hazards associated with abatement activities.

Disposal of lead-filled filters, lead-painted debris, and clean-up and shower water containing lead.

Handling and disposal of asbestos.

Noise abatement in new construction.

Its chief executive officer or other office of applicant approved by the State:

Consents to assume the status of responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified in 24 CFR, Part 58, which further the purposes of NEPA, insofar as the provisions of such Federal law apply to the HOME Investment Partnership Program.

Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

It acknowledges that all necessary environmental reviews must be completed, and Requests for Release of Funds (RROF) completed and approved for submission to HUD before HOME funds will be committed.

EPA LIST OF VIOLATING FACILITIES

It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the U.S. Environmental Protection Agency's (EPA) List of Violating Facilities and that it will notify the Department of Commerce of the receipt of any communication from the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by EPA.

FARMLANDS PROTECTION

It will comply with the Farmlands Protection Policy Act of 1981 (7 U.S.C. 4202, et seq.) and any applicable regulations (7 CFR, Part 658) which established compliance procedures for any Federally assisted project which will convert farmlands designated as prime, unique or statewide or locally important to non-agricultural uses.

FLOODPLAIN MANAGEMENT AND WETLANDS PROTECTION

It will comply with:

The Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 102(a) required that, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available, and participation by the community in the National Flood Insurance Program, as conditions for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et seq.). The intent of this Executive Order is to (1) avoid, to the extent possible, adverse impacts associated with the occupancy and modification of floodplains; and (2) avoid direct or indirect support of floodplain development wherever there is a practical alternative. If a grantee proposes to conduct, support or allow an action to be located in the floodplain, the grantee must consider alternatives to avoid adverse effects and incompatible involvement in the floodplains. If siting in a floodplain is the only practical alternative, the grantee must, prior to taking any action: (1) design or modify its actions in order to minimize a potential harm to the floodplain; and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain.

Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et seq.). The intent of this Executive Order is to avoid adverse impacts associated with the destruction or modification of wetlands and direct or indirect support of new construction in wetlands, wherever there is a practical alternative. The grantee must avoid undertaking or providing assistance for new construction located in wetlands unless there is no practical alternative to such construction and the proposed action includes all practical measures to minimize harm to wetlands which may result from such use.

NOISE, FACILITY SITING

It will comply with HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979) which prohibit HUD support for most new construction of noise-sensitive uses is prohibited in general for projects with unacceptable noise exposures is discouraged for projects with normally unacceptable noise exposure. Additionally, projects may not be located near facilities handling materials of an explosive or hazardous nature, or in airport clear zones.

SOLID WASTE

It will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C., Section 6901, et seq.). The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources.

WATER QUALITY

It will comply with:

The Safe Drinking Water Act of 1974 (42 U.S.C. Section 201, 300(f) et seq., and U.S.C. Section 349), as amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)), which is intended to protect underground sources of water. No commitment for Federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.

The Federal Water Pollution Control Act of 1972, as amended, including the Clear Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et seq.), which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

WILDLIFE

It will comply with:

The Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.). The intent of this Act is to ensure that all Federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of habitat of species or such species which is determined by the U.S. Department of the Interior, after consultation with the State, to be critical.

The Fish and Wildlife Coordination Act of 1958, as amended (U.S.C. 661 et seq.). The purpose of this Act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers and to fulfill other vital national conservation goals. Federal assistance by loan, grant, license or other mechanism cannot be provided to water resources construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.



HISTORIC PRESERVATION

It will comply with:

Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470, as amended) through completion of the procedures outlined in 36 CFR 800 and 36 CFR 63. Compliance with these procedures should include:

Consulting with the State Historic Preservation Office (SHPO) to identify properties listed in or eligible for inclusion in the National Register of Historic Places that exist with a proposed HOME project's area of potential environmental impact, and/or to determine the need for professional archaeological, historical, or architectural inventory of potentially affected properties to determine whether they would qualify for register listing.

Consulting, as needed with the SHPO, Keeper of the National Register of Historic Places, and the Advisory Council on Historic Preservation to evaluate the significance of historic or prehistoric properties which could be affected by HOME work and to determine how to avoid or mitigate adverse effects to significant properties from project work.

LEAD-BASED PAINT

It will comply with Title IV of the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq. and 24 CFR Part 35), which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with Federal assistance of any kind. The lead-based paint provisions of § 982.401(j) also apply, irrespective of the applicable property standard under § 92.251. In a project in which not all units are assisted with HOME funds, the lead-based paint requirements apply to all units and common areas in the project. Unless otherwise provided, the participating jurisdiction is responsible for testing and abatement activities.

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SECTION C - FINANCIAL REPORT II - USES OF FUNDS

	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	TOTAL PROJECT BUDGET
GRANT ADMINISTRATION									
Personnel Services	Not an eligible HOME line item								
Supplies	Not an eligible HOME line item								
Communications	Not an eligible HOME line item								
Printing/Duplication/Postage	Not an eligible HOME line item								
Advertising	Not an eligible HOME line item								
Accounting/Auditing	Not an eligible HOME line item								
Travel	Not an eligible HOME line item								
Training	Not an eligible HOME line item								
Other Administration	Not an eligible HOME line item								
TOTAL ADMINISTRATION COSTS									
LAND/ BLDG./ACQUISITION									
Land									
Existing Structure									
Demolition	Eligible only in conjunction with creation of affordable housing								
Homebuyer's Assistance									
TOTAL LAND & BUILDING COSTS									
SITE WORK									
Site Work									
Off-Site Improvement	Not an eligible HOME line item								
Environmental	Not an eligible HOME line item								
Other	Not an eligible HOME line item								
TOTAL SITE WORK COSTS									
CONSTRUCTION AND REHAB									
New Building									
Rehabilitation									
Accessory Structures	Not an eligible HOME line item								
General Requirements	Not an eligible HOME line item								
Contractor Overhead	Not an eligible HOME line item								
Contractor Profit	Not an eligible HOME line item								
Construction Contingency	Not an eligible HOME line item								
Community Revitalization	Not an eligible HOME line item								
Other									
TOTAL REHAB & CONST. COSTS									
SUBTOTAL									

PART II -- USES OF FUNDS (Cont.)

	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	TOTAL PROJECT BUDGET
PROFESSIONAL WORK & FEES								
Architect Design								
Architect Supervision								
Attorney, Real Estate								
Consultant/Agent								
Engineer/Surveyor								
Other								
Other								
TOTAL PROF. WORK & FEES								
CONSTRUCTION/INTERIM FEES								
Hazard & Liability Insurance								
Credit Report	Not an eligible HOME line item							
Construction Interest	Not an eligible HOME line item							
Origination Points	Not an eligible HOME line item							
Discount Points	Not an eligible HOME line item							
Inspection Fees								
Title & Recording								
Legal Fees								
Taxes	Not an eligible HOME line item							
Other								
Other								
TOTAL CONST. INTERIM FEES								
PERMANENT FINANCING FEES								
Credit Report	Not an eligible HOME line item							
Discount Points	Not an eligible HOME line item							
Origination Fees	Not an eligible HOME line item							
Title and Recording								
Legal Fees	Not an eligible HOME line item							
Prepaid MIP								
Other								
Other								
TOTAL FINANCING FEES								
SUBTOTAL								

PART II - USES OF FUNDS (cont.)

	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE	TOTAL PROJECT BUDGET
SOFT COSTS								
Feasibility Appraisal	Not an eligible HOME line item							
Market Study	Not an eligible HOME line item							
Environmental Study								
Tax Credit Fees	Not an eligible HOME line item							
Cost Certification	Not an eligible HOME line item							
TBRA								
Other	This is where the "Administration Costs" will go.							
TOTAL SOFT COSTS								
SYNDICATION COSTS								
Organizational (Partnership)	Not an eligible HOME line item							
Bridge Loan Fees & Expenses	Not an eligible HOME line item							
Tax Opinion	Not an eligible HOME line item							
Other	Not an eligible HOME line item							
TOTAL SYNDICATION COSTS								
DEVELOPER'S FEES								
Developer's Overhead	Not an eligible HOME line item							
Developer's Fees	Not an eligible HOME line item							
Consultant Fee	Not an eligible HOME line item							
Other	Not an eligible HOME line item							
TOTAL DEVELOPER'S FEES								
PROJECT RESERVES								
Rent-Up Reserve	Not an eligible HOME line item							
Operating Reserve	Not an eligible HOME line item							
Replacement Reserve	Not an eligible HOME line item							
Escrow	Not an eligible HOME line item							
Other	Not an eligible HOME line item							
TOTAL PROJECT RESERVES								
SUBTOTAL								
GRAND TOTAL PROJECT COSTS (w/o Admin. Costs)								
GRAND TOTAL PROJECT COSTS (with Admin. Costs)								

EXHIBIT 16

MANAGEMENT PLAN TEMPLATE

This template is a guide for HOME Grantees to use in creating a plan for project start-up, initial grant management, and ongoing project management. The purpose of the management plan is to create a written strategy for administering the grant funds, to ensure knowledge of and compliance with HOME requirements and regulations, and to ensure the continuity of program administration regardless of changes in the organization's personnel.

PART I – GRANT ADMINISTRATION AND PROJECT START-UP

This part presents the steps all Grantees must take to receive and manage HOME funds, regardless of the type of program.

PROGRAM DESCRIPTION

- Provide a brief description of the program including the type of program, the number of unit/homes to be impacted, and the target population of the program.
- Describe the program area (boundaries) and project scope.
- Define the type(s) of HOME subsidy to be provided to project(s).
- What is the amount of subsidy for the project per unit? **See Sections III.D, IV.A.5. and IV.B.1.**
- Whom does the program target? Describe how HOME income targeting requirements will be met. **See Sections IV.A.1. and IV.B.1.**
- What is the period of long-term affordability? How will it be enforced—through deed restrictions, covenants running with the land or another HOME-approved mechanism? **See Section III.C.**
- Is the project mixed use? mixed income? Describe how the mix meets HOME requirements. **See Sections IV.A.3. and 4.**

CERTIFICATIONS, PLANS, POLICIES, AND RESOLUTIONS

- Provide the dates on which the following resolutions/policies were passed:
 - Hatch Act Resolution (*applies to local governments only*);
 - Equal Employment Opportunity (EEO)/Nondiscrimination Policy;
 - Drug Free Workplace Policy;
 - Fair Housing Resolution; and
 - Section 504 and ADA Compliance Procedures
- Where are Equal Employment Opportunity Posters displayed in the Grantee's workplace?
- Provide a copy of a combined resolution to accept the HOME grant, authorize all funding and appropriate funding to the program (*Note: This is provided after the grant award*)

ORGANIZATIONAL STRUCTURE OF GRANT MANAGEMENT TEAM

- How will the grant be managed?
- What responsibilities will your governing body (e.g., city council, board of county commissioners, nonprofit board of directors, etc.) have in managing the grant?
- Who is your Attorney and what are his/her responsibilities?
- Who will be responsible for Set-up and Payment Request Forms, Progress and Close-out Reports, and other grant management and project activities?
- If you have a Housing Advisory Board, who are the members, how is the Board structured, and what are the Board's duties and responsibilities?
- Include names, titles and phone numbers for the above persons.

FINANCIAL MANAGEMENT

- How will the HOME funds be organized and managed? What accounts will be used to receive and disburse HOME funds?
- What accounting and management system will be used? (Most local governments use the Budgetary Accounting and Reporting System [BARS])
- What procedures will be followed for reviewing and approving expenditures, requesting funds, receiving HOME funds and processing payments?
- Who will be responsible for maintaining the required financial records and processing of HOME funds? Include the name(s), title(s) and phone number(s) of key person(s).
- What role does the governing body (e.g., city council, board of county commissioners nonprofit board of directors, etc.) play in approving expenditures for the HOME Program?

PROJECT IMPLEMENTATION SCHEDULE

Provide a narrative description to accompany the Implementation Schedule from the Uniform Application. What activities were performed before submittal of application? What are the major activities planned for the proposed project? How will you ensure a contract with MDOC has been signed within 4 months after the grant is awarded; funds are released within 6 months; and all funds are spent within 24 months?

NON-DISCRIMINATION / EQUAL HOUSING AND EMPLOYMENT / CIVIL RIGHTS RULES

- Who will be responsible for monitoring/enforcing non-discrimination, equal housing and civil rights rules? How will the rules be applied to the project? Specifically address the following requirements:
 - Affirmatively further Fair Housing.
 - Avoid discrimination in advertising and leasing.
 - Ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act.
- Who will be responsible for monitoring/enforcing Equal Employment Opportunity (EEO) rules? How will the rules be applied to the project?
- How will minorities, women, and their businesses be included in project implementation? **See Section III.K.**

ENVIRONMENTAL REQUIREMENTS

Environmental Review

- Describe the process you will use to ensure environmental requirements are met. Who will the Environmental Certifying Officer (ECO) be? Is that person an elected official? If not, has an official resolution been passed designating that person as the ECO? Who will conduct the environmental review? Who will produce the Environmental Review Record (ERR)? **See Section III.I.**
- Who will guarantee compliance with Historic Preservation requirements? Do you have a programmatic agreement with the State Historic Preservation Office (SHPO)?

Flood Plain

- Address flood plain requirements. Is HOME-assisted property within the flood plain, as identified by the Federal Emergency Management Agency? If it is (or is anticipated to be), how will you ensure requirements are met?

Lead-Based Paint

- Describe how you will comply with lead-based paint (LBP) regulations for properties. Identify who is responsible for notification and disclosure requirements, distributing appropriate brochures to all tenants or homeowners, disclosing any known presence of lead-based paint to prospective homebuyers, and providing notice of evaluation or hazard reduction. **See Section III.J.**
- If applicable, identify who will be responsible for reducing/abating lead-based paint hazards, and provide a brief summary of how these activities will be accomplished.
- Identify who is responsible for responding to a child with an elevated blood lead level.

OTHER REQUIREMENTS

Conflict of Interest

- Who will be responsible for identifying and resolving conflicts of interest? How will any potential conflicts of interest in project participation and implementation be identified and addressed?

Written Agreements

- If the project owner is/will be different from the Grantee, does the Grantee have a written, legally binding Agreement with the project owner? The Agreement may be contingent upon the receipt of HOME funds.

Are you doing SINGLE-FAMILY HOMEBUYER ASSISTANCE?
If YES, complete Sections A and B.

Are you doing SINGLE-FAMILY HOMEOWNER REHABILITATION?
If YES, complete Sections A and C.

Are you doing SINGLE-FAMILY NEW CONSTRUCTION?
If YES, complete Sections A and D.

Are you doing MULTI-FAMILY NEW CONSTRUCTION?
If YES, complete Section E.

Are you doing MULTI-FAMILY REHABILITATION?
If YES, complete Section F.

Are you doing MULTI-FAMILY ACQUISITION?
If YES, complete Section G.

Are you doing TENANT BASED RENTAL ASSISTANCE (TBRA)?
If YES, complete Section H.

Section A

SINGLE-FAMILY (See also HOMEBUYER ASSISTANCE, HOMEOWNER REHABILITATION or NEW CONSTRUCTION, as appropriate.)

Marketing Strategy

- Describe your target population including who will use the program, where they will come from, and the size of the market. Will the program target a particular category of participants i.e., first time homebuyers, seniors, disabled persons, public housing residents, or existing renters?
- Describe present and future marketing activities for your program. Describe the methods you intend to use to reach your target market. Will you market your program to lenders and realtors? Will you use ads in local papers, hold an open house, or distribute flyers at social service agencies and/or employers? Where/how else will you advertise? How else will you spread the word about the program?
- Describe your Affirmative Fair Marketing Plan and how non-discrimination and equal housing rules will be applied to the project in order to further Fair Housing, avoid discrimination in advertising and ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act.
- What methods will you use to reach the minority population?
- Where will applications be available and how will completed applications be submitted?

Homebuyer/Homeowner Intake and Selection

- Describe the procedures and mechanisms for participant intake and selection, including how your organization will prioritize participants in your program. Will it be on a first-come first-served basis? Is it based on inquiry date or receipt of completed application? Are applications received on a rolling basis or are there deadlines? Is priority given to lower income households or to households in specific, targeted areas and/or populations?
- What are the income restrictions? What is the income target? How do you define income? (HOME staff suggests using IRS adjusted gross income for single-family programs.) How will you verify the family income?
- What is your grievance procedure for denied applicants?

Management of the Program

- Describe how you will maintain accurate files and records for each applicant, including names, address and the terms of the agreement.
- What are the terms of repayment of the HOME funds? Will loans be deferred? Will they earn interest? Will they be forgiven after a certain time?
- Is the type of assistance based upon income and ability to pay? How will these be determined?
- Describe the method your organization will use to determine the amount of HOME funds each participant will receive. Provide an explicit description as to how down payment, closing cost and rehabilitation amounts (as applicable) will be determined.
- A properly recorded promissory note or deed restriction stipulating the terms of repayment of the HOME funds is essential. What enforcement instrument will be used? How will you ensure the enforcement instruments are recorded in a timely manner?

Recapture or Resale Policy

- Will the resale or recapture option be used to ensure affordability? Will equity sharing be used to prevent participants from making windfall profits at time of sale? **See Section IV.B.2.**
- If choosing resale, how will the seller find another low-income person to purchase the home? Will the Grantee assist in that process? How will a fair return to the seller be ensured? How will the Grantee ensure the home will be affordable to a new low-income homebuyer? Will the Grantee maintain a right of first refusal? Note: if HOME funds are used for new construction, the resale option must be used.
- If choosing recapture, how will a fair return to the seller be ensured? What is the policy if the sales price does not sufficiently cover any outstanding mortgage(s) and/or provide a fair return to the seller?
- If using equity sharing with either the resale or recapture option, how will the equity be divided between the seller and Grantee?
- Note: the Program Income Plan must describe in detail how the Grantee will manage any recaptured funds or equity received by the Grantee.

Section B

SINGLE-FAMILY HOMEBUYER ASSISTANCE

Homebuyer Intake and Selection

- Describe the buyer's responsibility with respect to home search and negotiation. Will it be the buyer's responsibility to find an eligible property with respect to the program guidelines and negotiate a price for said property, which is below FHA 203(b) guidelines? See Section IV.B.1.
- Describe the buyer's responsibility with respect to loan application and completion. Will it be the buyer's responsibility to complete and execute all loan applications, agreements and other required documents? Will you assist? Is there a time frame for completing applications?
- Does the homebuyer have to be a first-time homebuyer, and if so, how is that defined?

Homebuyer Workshops and Counseling

- Provide a detailed description of the homebuyer education and counseling services including an overview and explanation of homebuyer counseling programs, the presenters, the number of course hours and frequency of the course.
- What is your plan for providing credit repair and budget management for those households not yet able to qualify for mortgage financing? Identify how these services will be provided, including linkages with other agencies.
- Will you provide on-going counseling services during the period of affordability or a policy on whether any foreclosure prevention training will be provided in the event of a default?

Program Implementation

- Describe how you will ensure that applicable state or local property standards and code requirements are met.
- For homes built prior to January 1, 1978 that do not serve elderly residents, identify who is responsible for complying with the Lead-Based Paint Poisoning Prevention Act and implementing the HUD lead-based paint regulations. See Section III.J.
- What is the maximum loan-to-value on all project debt? Is there a minimum loan-to-value to ensure that applicants are not over-subsidized?
- Is there a minimum homebuyer contribution, either a dollar amount or a percent of sales price? How will you ensure applicants make the maximum contribution possible, while using the HOME funds to fill the gap? How will you ensure the applicant purchases appropriate, modest housing?
- How will you ensure the settlement statements reflect HOME funds contributed to the purchase?
- How will you ensure requirements of the Uniform Relocation Act are met, which includes ensuring the seller is informed of the property's appraised value?

Lender Participation

- Describe the nature and form of involvement by lenders, such as private financial institutions and/or credit unions. Will the lender refer the buyer to your program?
- What types of first mortgage financing are anticipated to be used in conjunction with the HOME subsidy? Examples of first mortgage financing are conventional loans (including Fannie Mae and Freddie MAC affordable lending products), FHA, Rural Development, the Montana Board of Housing or any other specialized loan portfolio products. How will you conduct lender outreach and education so they are informed about your programs? How will you coordinate your program with existing first mortgage programs?

What, if any, concessions have you been able to negotiate with private lenders to reduce some of the closing costs by lowering closing costs, origination fees, and points as well as arranging for bulk rates for appraisal, title and legal fees?

Section C

SINGLE-FAMILY HOMEOWNER REHABILITATION

Contractor Policy and Issues

- Describe the role of your organization and the homeowner in the rehabilitation process, particularly as it relates to work write-ups, soliciting bids, selecting a contractor and arranging for contractor walk-through.
- Will you assist the homeowner in obtaining a contractor?
- How will you ensure there is an adequate supply of qualified contractors available to do the work in a timely manner?
- Describe your organization's pre-qualifications procedure for selecting and qualifying contractors and subcontractors to participate in your program.
- Describe your organization's pre-qualification procedure for selecting and qualifying contractors and subcontractors who are certified and licensed in lead-based paint treatment and removal.
- Describe the steps your organization has taken and/or will take to encourage minority and woman-owned contractor participation.
- Will the construction contract be between the Grantee and contractor or between the homeowner and contractor?
- Who will be responsible for obtaining a lien waiver from the contractor at the time of final payment?
- How will you ensure the homeowner is satisfied with the completed work? Will the homeowner authorize final payment only after the homeowner is satisfied?

Program Implementation

- Describe eligible improvements and expenses.
- How will you ensure that minimum property standards are met and that the property is free of safety and health hazards within six months?
- In addition to minimum property standards, how will you ensure that the assisted housing is decent, safe and sanitary (e.g., Section 8 Housing Quality Standards) and conforms to local zoning codes?
- If property is to be rehabilitated after transfer of ownership, who will be responsible for ensuring property standards requirements are met? How will you ensure that the housing is free of defects before occupancy or not later than 6 months after transfer and that the housing meets property standards no later than two years after transfer of ownership?
- For homes built prior to January 1, 1978 that do not serve elderly residents, identify who is responsible for complying with the Lead-Based Paint Poisoning Prevention Act and implementing the new HUD lead-based paint regulations. **See Section III.J.**

Section D

SINGLE-FAMILY NEW CONSTRUCTION

Project Description

- Describe your project including the number of units to be built, average lot size, house size and style. Describe property amenities including open space, playgrounds or community buildings. Identify the area of the city or county in which the property is located, the surrounding land uses and its relationship to schools, commercial, recreation and employment centers.

Homebuyer Intake and Selection

- Describe how the development of this project will be managed and how the closing of home sales will be conducted. Include the timeline for screening and qualifying homebuyers, marketing and all critical activities to the point of selling the home.
- Is a deposit, lot reservation fee, or other upfront fee required? Is it refundable if they do not complete the sale? Under what circumstances are any fees nonrefundable?
- Do applicants have to be pre-qualified prior to applying? How long do applicants have to complete the purchase?

Homebuyer Workshops and Counseling

- Provide a detailed description of the homebuyer education and counseling services including an overview and explanation of homebuyer counseling programs, the presenters, the number of course hours and frequency of the course.
- What is your plan for providing credit repair and budget management for those households not yet able to qualify for mortgage financing? Identify how these services will be provided, including linkages with other agencies.
- Will you provide on-going counseling services during the period of affordability or a policy on whether any foreclosure prevention training will be provided in the event of a default?

Program Implementation

- What is the targeted sales price for each home? How does that compare to area median income? Will you also provide down payment or closing cost assistance? What ratio will you employ to ensure that you are not over subsidizing a borrower? See **Section IV.B.1. and Exhibit 7.**

Financial Management of the Program

- What is the structure and detail of the project financing? What are the special conditions/requirements of each source of financing? Describe how you will ensure compliance with HOME and other project financing requirements.

Section E

MULTI-FAMILY NEW CONSTRUCTION (complete ONLY if applicable)

Property and Accessibility Standards

- How will the appropriate property and accessibility standards be met? Who will be responsible for ensuring compliance?

Construction Requirements

- Who will be responsible for the following? Identify person(s), including names, titles and phone numbers.
 - Preparing any needed RFPs and evaluation criteria
 - Preparing contract documents
 - Requesting HOME review of appropriate documents
 - Advertising RFP and bid solicitations, including letters to minority and women-owned business enterprises
 - Conducting debarment check on all contractors
 - Obtaining Architect's Accessibility and Property Standards Certification
 - Preparing bid package
 - Clearing plans through city zoning/planning office
 - Conducting bid opening
 - Conducting pre construction conference
 - Issuing Notice to Proceed
 - Conducting performance monitoring
 - Reviewing and approving change orders
 - Establishing procedure for contractor to submit payment requests
 - Obtaining Certificate of Completion
 - Obtaining lien waivers from contractor and subcontractors
 - Obtaining Certificate of Occupancy

Davis-Bacon Requirements

- If the construction contract includes 12 or more HOME-assisted units, who will be designated as the Labor Standards Officer to ensure compliance with Davis-Bacon Labor Standards? Include name(s), title(s) and phone number(s).

Section F

MULTI-FAMILY REHABILITATION (complete ONLY if applicable)

Property and Accessibility Standards

- How will the appropriate property and accessibility standards be met? Who will be responsible for ensuring compliance?
- If housing is to be rehabilitated after transfer of ownership interest, who will be responsible for:
 - Ensuring, before transfer of ownership interest, that:
 - the housing be inspected for defects that pose a danger to health
 - information be acquired on work needed to cure defects and meet property standards, including a time line;
 - Ensuring the housing is free of defects before occupancy or not later than 6 months after transfer;
 - Ensuring the housing meets property standards no later than two years after transfer of ownership interest.

Davis-Bacon Requirements

- If the rehabilitation contract includes 12 or more HOME-assisted units, who will be designated as the Labor Standards Officer to ensure compliance with Davis-Bacon Labor Standards? Include name(s), title(s) and phone number(s).

Section G

MULTI-FAMILY ACQUISITION (complete ONLY if applicable)

Property Standards

- If the HOME-assisted project is acquisition only, how will the appropriate property standards be met? Who will be responsible for ensuring compliance?

Relocation Requirements

- If acquisition involves either temporary or permanent displacement of persons (families, individuals, businesses, non-profit organizations and farms), who will be responsible for ensuring the provisions of the Uniform Relocation Act (such as tenant notification) are met? Include name(s), title(s) and phone number(s).

Voluntary Acquisition Requirements (See Section III.F.)

- If voluntary acquisition, the Grantee must:
 - Demonstrate that the acquiring party clearly advised owner that if an amicable agreement could not be reached, the property would not (*for local governments*) or could not (*for CHDOs*) be acquired by eminent domain.
 - Demonstrate that no specific site or property was designated for acquisition.
 - Demonstrate that property to be acquired was not part of an intended planned or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
 - Demonstrate that the owner was informed of estimated Fair Market Value (FMV) of property.
- Provide a signed copy of the Acquisition, Displacement and Relocation Plan.

Section H

TENANT-BASED RENTAL ASSISTANCE (TBRA)

Program Description

- Describe your TBRA Program. Why is TBRA needed? What community needs does it meet?

Marketing and Tenant Outreach

- Describe the number of available rental units in the targeted service area. The description should delineate the number of available apartments, duplexes, single-family homes, and any other. Submit support documentation such as assessments or surveys from local Realtors, the local Chamber of Commerce, and landlords.
- Describe your target population including who will use the program, where they will come from, and the size of the market.
- Describe present and future marketing activities for your program. Describe the methods you intend to use to reach your target market. Will you use ads in local papers, hold an open house, or distribute flyers at social service agencies and/or employers? Where/how else will you advertise? How else will you spread the word about the program?
- Describe your Affirmative Fair Marketing Plan and how non-discrimination and equal housing rules will be applied to the project in order to further Fair Housing, avoid discrimination in advertising and ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act.
- What methods will you use to reach the minority population?
- Where will applications be available and how will completed applications be submitted?

Tenant Selection Criteria

- Describe the procedures for screening, intake and orientation of potential program participants.
- Describe your waiting list development process. Will you maintain your own waiting list or coordinate with the Section 8 waiting list? How often must tenants renew their TBRA application? How will changes to household income or composition be documented? What happens if the applicant does not renew his/her application within the defined period of time? Can they reapply after being removed from the waiting list? Under what conditions can the waiting list be closed?
- What is the income target for your program? How will you ensure 90% of participants have incomes below 60% of AMI at any given time?
- How will you determine income eligibility? For TBRA, the income definition must be the Part 5 definition (Section 8 annual gross income). Will the family need to recertify after a period of time on the waiting list? What are your verification requirements? Will you use third party verifications from the tenants' employer, and/or review documents such as benefit award letters, pay stubs, bank statements? Will you accept personal certification for self-employed persons?
- Once TBRA has been granted, how long will the applicant have to locate an acceptable unit? If the applicant is unsuccessful, can an extension be granted? If so, for how long?
- Describe how TBRA recipients will be briefed on their rights and responsibilities. Will the briefing be conducted individually or in a group setting? Identify the key points to be covered in the briefing.
- Describe your briefing for owners who participate in the TBRA program. Identify the key points to be covered in this briefing.
- Will you provide tenants with services or access to services and training services beyond the TBRA to move them toward self-sufficiency?

Program Administration and Monitoring

- Describe how you will coordinate your program efforts with other existing programs, including Section 8, to ensure that tenants receive the appropriate level of assistance and to avoid a tenant being subsidized for the same type of assistance but through different programs?
- Describe how you calculate the maximum subsidy calculation and the minimum subsidy calculation for either security deposit assistance or direct rental assistance. For rental assistance, what utility allowance will be used? For security deposit assistance, will the funds be provided as a grant or loan to the tenant?
- How will you ensure that HOME guidelines, including rent reasonableness, housing conditions, size requirement and lease approval are met? How will you monitor HQS after initial occupancy? How often will units be inspected? Who will perform these inspections?
- What are the occupancy guidelines to be used to determine the size of the unit for which the household qualifies? This is the unit size used to compute the tenant's subsidy.
- How will you monitor the eligibility of the participating households? Under what conditions can assistance be terminated? Describe the process for terminating the assistance.
- For homes built prior to January 1, 1978 that do not serve elderly residents, identify who is responsible for complying with the Lead-Based Paint Poisoning Prevention Act and implementing the new HUD lead-based paint regulations. If Lead-Based Paint was found, but not abated on the property, describe your plan for tenant notification and disclosure, annual monitoring and maintenance plan to ensure it is intact and does not pose a threat to occupants (i.e., not peeling and chipping). Describe your process for responding to a child with an elevated blood lead level. **See Section III.J.**
- How will you ensure that owners receive prompt and accurate payments?

PART II – ON-GOING PROJECT MANAGEMENT AND COMPLIANCE PLAN

Single-Family Housing

HOMEBUYER ASSISTANCE, HOMEOWNER REHABILITATION AND NEW CONSTRUCTION

- Describe how you will track the HOME-assisted homes and their status in the program.
- How will you verify annually that the property continues to be owner-occupied and used as the owner's principal residence?
- How will you verify the home has not been sold during the previous 12 months?
- If the home has been sold, how will you ensure proper resale or recapture procedures are followed?

Multi-Family Housing

PROJECT DESCRIPTION

- Provide a brief description of the proposed activity including the type of project or facility, the number of housing units to be provided and the target population of the project.
- Describe the physical characteristics of the proposed site, the project design and how it meets the needs of the targeted population.
- Describe the proximity of basic services to the project site, such as police, fire, emergency, medical, public transportation and social services. Indicate the location of the project in relation to commercial services, employment centers, transportation services, schools, parks and recreation, and social services.
- Describe the length of commitment to the target population and the continued affordability of the assisted housing in terms of monthly rent and tenant income. **See Section III.C.**

GENERAL ADMINISTRATION

- Describe the organizational structure of your management team. What are the lines of authority, responsibility and accountability within the management entity.
- Outline the respective responsibilities of the owner and the managing agent. Are these responsibilities clearly defined so as not to overlap? Are they clearly assigned? Are all basic responsibilities covered? What limits – managerial and financial – are placed upon the agent's authority?
- Is there an on-site manager? Is there a management office on-site? What are the office hours?
- What are the anticipated staffing needs of the development? What are the duties and responsibilities of each person? Is housing provided as part of the compensation package? Is continued occupancy conditioned upon employment? What wages/salary shall apply to each position?
- What regular hours of work will be observed by staff? How will management services be provided while key staff are on vacation?

PROPERTY MANAGEMENT STRUCTURE

- Describe your property management structure and philosophy. Will your organization self-manage the project, retain a professional management company or create a hybrid structure in which the organization provides the on-site services and the property management is responsible for the day-to-day operations of the project.

MARKETING STRATEGY

- Identify the market area to be served by the project. Describe the surrounding market including population characteristics, occupancy and market trends.
- Indicate what other rental projects would be considered competition to this development.
- Describe your target population including who will live in the project, where they will come from, and the size of the market. Include information detailing existing housing and economic conditions. Summarize or cite evidence from public sources to document the need.
- Describe how the property will be marketed to attract a sufficient number of persons subject to the income restrictions of this property. What methods will you use to reach your target market? For example, will you run ads in local papers, distribute flyers at social service agencies or employers, hold an open house, etc.? What marketing techniques will be used to inform the minority population of the availability of housing?
- Describe your Affirmative Fair Marketing Plan and how non-discrimination and equal housing rules will be applied to the project in order to further Fair Housing, avoid discrimination in advertising and ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act.

RESIDENT SELECTION

- Describe your application process or waiting list development. Explain how information and rental applications are to be made available to the public prior to the opening of the development.
- What are the income restrictions? How do you define income? (If a definition other than the Part 5 (Section 8) definition is used, HOME staff approval is required.)
- How will you verify the family income? Specifically, what third parties will you contact to verify income, and/or what source documents will you utilize? How often will either source documents be verified or third parties contacted?
- What are the tenant selection criteria to be used? Is there a resident selection committee? Is this selection subject to review? If so, under what conditions and by whom? What is the appeal process for rejected applications?
- What is the policy that governs the assignment of family size and composition to the various types of dwelling units in the development? What are the minimum and maximum occupancy standards?
- What application fees or earnest money deposits will be required of applicants? How will these fees or deposits be applied? Will you require references from previous landlord/property manager, employer or personal references? Will you accept alternative forms of credit for persons without a credit history such as timely medical, utility or rental payments? Will you do a criminal background check?
- How will the rental staff be instructed in local, state and federal fair housing laws, the Civil Rights Act of 1968, ADA and Section 504 (if applicable)?

RENT STRUCTURE/LEASE AGREEMENT

- What are the rents for each type of unit? Do they vary according to income? For example, are the rents fixed or adjusted to reflect a percentage (less than or equal to 30 percent) of tenants' income. What is your utility allowance and how was it determined? Describe how you will ensure that at least twenty percent of the HOME-assisted units have low HOME rents while the remaining HOME-assisted units have high HOME rents. See Sections IV.A.1. and 2. & Exhibit 8.
- If your project contains both HOME-assisted and non-HOME-assisted units, specify whether HOME-assisted units will be fixed or floating.

- What are your rent collection policies? When and how can a tenant pay his/her rent? Will you accept cash or money orders? By when must rent be paid? Are there late fees? When do they commence?
- Describe your security/pet/cleaning or other deposit requirements? Under what conditions will they be refunded? Is any portion nonrefundable? How do you assess damage to units?
- What is the minimum lease period? A lease period less than one year requires mutual agreement between the owner and the tenant.
- Describe your move-in/move-out policies. How much notice must a tenant provide? What orientation materials/services will be provided to acquaint tenants with the project?
- Describe your process for determining rent increases and informing tenants. What is the maximum percentage increase that can occur in a twelve-month period? Will increases be assessed annually or semi-annually? How will you ensure tenants receive at least a 30-day notice?
- What are the resident policies? Describe property rules regarding topics such as noise, pets, overnight or extended-stay guests, parking, use of community facilities, and maintenance of the unit.
- Under what conditions may a tenant be evicted or be denied lease renewal? How much notice will you provide to a tenant before eviction?
- What measures will be taken to protect the confidentiality of personal data on the tenant or applicant?
- How will you ensure the lease does not contain prohibited terms?

RENT MANAGEMENT

- Indicate what procedures will be used during and after rent-up to ensure that the applicable percent of the dwelling units are leased to families or individuals at appropriate income levels.
- Who will be responsible for performing the income certification and recertification functions? What steps will be followed so as to ensure that recertifications are performed on schedule?
- How do you address over income tenants?
How will you ensure that the project's rents comply with HOME regulations in addition to the requirements of other funding sources, e.g., LIHTC, RD, project-based Section 8, the FHLB, etc.?

TENANT-MANAGEMENT RELATIONS

- How will tenant complaints or grievances be handled?
- If there is community space in the project (community room, laundry area), how will it be utilized and what rules will govern its use? Is it available to the public at large for a fee or solely for the use of the tenants?
- Will the managing agent assist the tenants, if requested, in establishing and maintaining a resident organization?
- What is the management's plan for the delivery of community/resident services within the development, if applicable?
- Are there required or optional resident services available such as laundry, housekeeping, counseling, meals, health care, education, employment services or childcare? If so, is the cost subsidized through other sources, or paid separately by tenants? Describe how the costs are paid for and/or subsidized.
- If support services are required for the target population, identify how these support services will be provided. What resources will pay for these services?

FINANCIAL MANAGEMENT OF THE PROPERTY

- What is the structure and detail of the project financing? What are the special conditions/requirements of each source of financing? Describe how you will ensure compliance with each source of funding. Discuss specifically how HOME restrictions interact with other programs such as Low Income Housing Tax Credits and/or project-based rental assistance from HUD or RD, regarding income restrictions and periods of affordability.
- Describe your accounting/bookkeeping systems. What accounting controls will be employed to protect against losses of rental income?
- Are all operating funds maintained by the management company? If not, what other entity maintains operating funds?
- How frequently will you prepare property status reports and who will review them?
- Who will prepare the annual operating budget? How is it approved?
- Describe your insurance requirements for the property and how often you will review your coverage.
- Describe type and level of security service to be provided for this development, if applicable.
- On developments/units expected to be eligible for federal tax credits, specify how the utility allowances for each unit will be determined. How often and by what means will they be updated?

PROPERTY MAINTENANCE AND REPAIR PROGRAM

- Describe the physical plant – size, number of units, standard equipment in each unit and age of the equipment including appliances, HVAC and security systems.
- An HQS inspection is required annually. How will you ensure this will be completed? Who will perform the inspection? How has that person become qualified to perform the HQS inspection? How will this inspection be coordinated with other inspections and monitoring visits so as not to unduly burden the tenant?
- What is your scheduled maintenance for systems to insure compliance with all federal, state and local requirements?
- If Lead-Based Paint was found but not abated on the property, describe your plan for tenant notification and disclosure, annual monitoring and maintenance plan to ensure it is intact and does not pose a threat to occupants (i.e., not peeling and chipping). What is your process for responding to a child with an elevated blood lead level?
- Describe your maintenance and repair procedures. How do tenants request a repair during business hours? How do they report an emergency after hours? What is your time frame for addressing routine and emergency maintenance requests? How is work quality of repairs controlled?
- How will maintenance services be provided? Is there an on-site maintenance person or are the services contracted? How often are the contracts renewed or reevaluated?
- What is the policy for clearing the sidewalks and parking areas of snow or leaves? Have these been reviewed against applicable town, city or county ordinances? What is the schedule for cleaning entryways, halls and other common areas?
- What are the procedures to control the purchase of equipment, supplies and repairs? What are the limitations of the property manager without owner authorization?
- What procedures have been developed to inventory maintenance equipment, parts and supplies?
- What procedures will be used in inspecting dwelling units while occupied, i.e. how will the tenant be notified and how much notice will the tenant receive?

- What are the procedures for inspecting units prior to move-in?
- How will charges for tenant damages be billed and collected? by new or transferred tenants? What is the schedule for interior and exterior painting and decorating? What procedures will be employed in preparing vacant units for new tenants?

PART III – PROGRAM INCOME PLAN

Complete only the section applicable to your project.

SINGLE-FAMILY HOMEBUYER ASSISTANCE and HOMEOWNER REHABILITATION

- Describe the scenario that will create program income for your program.
- Describe, in detail, how you will track that program income, including the address that generated the program income. Who will be responsible for this tracking? What tools will that person utilize?
- Describe on what HOME-eligible activities the program income will be used, including the address that received the program income. How will you ensure the funds are spent in a timely manner?
- Describe your plan for tracking where that income goes, the length of that period of affordability, and reporting requirements.

SINGLE-FAMILY NEW CONSTRUCTION

- Describe the scenario that will create program income for your program.
- Describe, in detail, how you will track that program income. Who will be responsible for this tracking? What tools will that person utilize?
- Describe on what HOME-eligible activities the program income will be used. How will you ensure the funds are spent in a timely manner?
- Describe your plan for tracking where that income goes, the length of that period of affordability, and reporting requirements.

CHDO Proceeds

- Note that once CHDO Proceeds have been used once, reporting requirements to the HOME Program cease.

MULTI-FAMILY HOUSING

- Describe the scenario that will create program income for your program.
- Describe, in detail, how you will track that program income. Who will be responsible for this tracking? What tools will that person utilize?
- Describe on what HOME-eligible activities the program income will be used. How will you ensure the funds are spent in a timely manner?
- Describe your plan for tracking where that income goes, the length of that period of affordability, and reporting requirements.

CHDO Proceeds

- Note that once CHDO Proceeds have been used once, reporting requirements to the HOME Program cease.

TENANT BASED RENTAL ASSISTANCE (TBRA)

- TBRA will only generate program income if the TBRA program includes security deposits, and those deposits (or a portion of them) are returned to the program.
- If applicable, describe the scenario that will create program income for your program. Describe, in detail, how you will track that program income. Describe on what HOME-eligible activities the program income will be used. Describe your plan for tracking where that income goes, the length of that period of affordability, and reporting requirements.

